

INFRASTRUCTURE ASSESSMENT REPORT

PARADISE RIDGE PARCEL 7

64TH Street and Mayo Boulevard

Prepared for:

Arizona State land Department
KUD International, LLC

Prepared by:



7250 North 16th Street
Phoenix, Arizona 85020

OA Project No. 013-1836



April 25, 2014

PARADISE RIDGE
INFRASTRUCTURE ASSESSMENT REPORT

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Kimley-Horn and Associates, Inc (February 2012). Final Drainage Report, APS Substation Located on Mayo Clinic – Phoenix Campus. Prepared for Arizona Public Service.

AZTEC Engineering Group, Inc. (August 2013). 64th Street – Mayo Boulevard to Pima Freeway (SR 101L), Project No, STP85100255. Prepared for City of Phoenix Street Transportation Department & Construction Management Division.

AZTEC Engineering Group, Inc. (January 2006). Final Drainage Report - SR101L / 64th Street Traffic Interchange, Tracs No. 101 MA 032 H6240 01C. Prepared for the Arizona Department of Transportation.

Stanley Consultants, Inc. (December 1998). Final Drainage Report (95% Submittal) - Pima Freeway – Loop 101 Cave Creek Road to Scottsdale Road, Tracs No. H4845 01D. Prepared for the Arizona Department of Transportation.

ASLD (March 2002). Paradise Ridge JD. Prepared for USACE.

USACE (May 2002). 404 permit and associated implementation documents. Prepared for ASLD.

ASLD and Northeast Phoenix Partners (July 1990). Desert Ridge Specific Plan. Prepared for City of Phoenix.

(January 1996). CC&Rs and Easements for Superblock 3. Prepared for ASLD.

ASLD (January 1996) Infrastructure Payback Agreement. Prepared for Mayo
Foundation for Medical Education and Research.

1. INTRODUCTION

1.1. Project Location and Description

Paradise Ridge Parcel 7 is a 76.89-acre area of land currently owned by the Arizona State Land Department (ASLD) within the Paradise Ridge planning area in northeast Phoenix. More specifically, the land is located on the west side of 64th Street just south of the intersection of 64th Street and Mayo Boulevard (Blvd) within Maricopa County. The area of land is bounded on the west by the Mayo Clinic property, on the north by the Section Line of Sections 28 and 33 and the east by 64th Street. The south boundary of the land is defined by the northern boundary of Reach 11. See Figure 1: Project Location Map.

1.2. Project Purpose and Need

KUD International has retained Olsson Associates to develop this Infrastructure Assessment Report as required by the ASLD for KUD International's Application to Lease Paradise Ridge, Parcel 7 Property. This Infrastructure Assessment Report provides KUD International the understanding of the current infrastructure of the property and surrounding area, as well as the proposed improvements that will be necessary for the development of the property. The proposed infrastructure improvements are based on the requirements and criteria of ASLD and the City of Phoenix (COP). This report is based on information received from field survey, data received from various agencies, and meetings with representatives of the various agencies involved. The Infrastructure Costs were developed with the existing information obtained from local bid tabs.

The opinion of probable construction costs and information within the report is based on Olsson's reasonable professional judgment, information provided by others, and experience, and does not constitute a warranty, express or implied, that the requirements for development, contractor's bids, or the negotiated price of the work will not vary from the Client's budget or from any opinion of probable cost prepared by Olsson.

2. INFRASTRUCTURE CONCEPT

2.1. Overview

This infrastructure assessment is based on the requirements and criteria obtained from ASLD and the COP. The meetings held with ASLD, COP and other agencies have provided additional detail to the proposed infrastructure improvements.

The Major Infrastructure Improvements are:

- Roadway
- Water
- Reclaimed Water
- Sewer
- Storm Water and Section 404
- Dry Utilities

Sections 2.4 through 2.9 give a detailed discussion of these Major Infrastructure Improvements.

2.2. Land Use

This portion of Paradise Ridge is governed by the Desert Ridge Specific Plan dated July 18, 1990, with last revision at the time of this report being January 20, 2010. Associated with this document are the Declaration of Covenants, Conditions, Restrictions and Easements for Superblock 3. These documents set the guidelines for land use as well as the approval procedures for development within the area. Land use plans for Paradise Ridge developed by ASLD should also be referenced.

2.3. Archeological

There are known archeological sites within the project limits. The 404 Permit has requirements for the proper investigation, monitoring and protection of the sites. The area will require further pre construction investigation as well as monitoring during construction. If you would like further information please contact ASLD's archeological department.

2.4. Roadway

64th Street is the east boundary of the property. From SR 101L to Mayo Blvd it is classified as a Major Arterial on the Paradise Ridge Master Streets Plan (provided by

ASLD) with a Cross Section indicator “A”. South of Mayo Blvd, 64th Street is classified as a Major Arterial with a Cross Section indicator “C”. 64th Street is not paved from SR 101L through the property limits.

The COP has approved construction documents for roadway improvements from SR 101L to Mayo Blvd. Construction is scheduled to begin in 2014 and is anticipated to be complete in late 2014. The improvements are to the Cross Section indicator “A” which is 140 feet of Right-of-Way and a 104-foot paved section with curb and gutter including a 24-foot median island.

South of Mayo Blvd, the COP will require full west half street improvements Cross Section indicator “A”, while tapering south to a Cross Section indicator “C”. A minimum of 70 feet of Right-of-Way shall be dedicated for the west half of 64th Street while tapering down to 55 feet of Right-of-Way. Associated slope easement (varies) shall be dedicated for the west half of 64th Street to accommodate roadway and future bridge abutment over the CAP Canal. Full half street improvements will include pavement, curb and gutter, sidewalk, street lights and landscaping from Mayo Blvd to the south end of the property limits. Currently 64th Street does not extend further south through Reach 11. Because of this, it is anticipated no taper will be required at the southern end of the 64th Street half street improvements. Full Type III barricades are anticipated.

A Traffic Impact Analysis will be required for the proposed Paradise Ridge development. Future considerations for the 64th Street and Mayo Blvd Intersection Improvements to be stipulated through the Site Plan process and associated Traffic Impact Analysis review.

If the area just north of this property is developed prior to this Paradise Ridge Property, the COP will require that development to construct 64th Street full west half street improvements from Mayo Blvd to the north limit of the Paradise Ridge Property. For this Infrastructure Report it is assumed that property to the north will not be developed prior to the Paradise Ridge Property. Therefore the development of this property will

require the construction of 64th Street west half street improvements from Mayo Blvd, as well as any intersection improvements required at 64th Street and Mayo Blvd.

2.5. Water

The COP owns, operates and maintains the existing water system that provides water to the existing developments in the area. Water will be provided to the development by COP. In coordinating with the COP and researching the City Maps and As-Builts, the following are existing waterlines within the boundary of the property:

- Mayo Blvd
 - 24-inch SCCP with 12" DIP side outlets approximately every 1320 feet
- 64th Street
 - 12-inch DIP south of Mayo Blvd

The COP may require a looped water system depending on the fire flows required for the site. Water service can be provided from the 12-inch dead end water main in 64th Street. This 12-inch water main is served by the 24-inch transmission line in Mayo Blvd. The dead end 12-inch water main in 64th Street may require another connection in Mayo Blvd if the site requires a looped system to accommodate fire flows for future development. If this connection is necessary, it will require coordination with the northern neighboring property in Desert Ridge. For cost estimating purposes it is assume that a looped system will be required for the property.

2.6. Reclaimed Water

The COP owns, operates and maintains the existing reclaimed water line. In coordinating with the COP and researching the City Maps and As-Builts, the following are existing reclaimed water lines within the boundary of the property:

- Mayo Blvd
 - 30-inch reclaimed Water Line from Tatum to 64th Street. From 56th Street to the end of the first horizontal curve approximately 2200 feet from 56th Street, the reclaimed water line is 85 feet north of the centerline in a PUE. From that point to 64th Street, the reclaimed water line is 70 feet north of the centerline on the right-of-way line in a PUE.
 - 20-inch reclaimed Water Line from Mayo Blvd south within 64th Street.

The existing reclaimed waterline is connected to the Cave Creek reclamation plant and is currently not in operation. When enough demand for the reclaimed water is warranted, the plant will be placed back in service.

For the proposed development the use of reclaimed water may be required depending on the proposed acreage of landscape areas of the development. If required, a reclaimed system within the development will have to be built and connected to the COP's potable waterline, until the COP's reclaimed waterline is back in service.

2.7. Sewer

The COP owns, operates and maintains the existing sewer system. In coordinating with the COP and researching the City Maps and As-Builts, the following are existing sewers within the boundary of the property:

- 64th Street
 - 18-inch sewer main starting at Mayo Blvd and flowing south into a 36-inch sewer main located on the south boundary of this property where the sewer flows toward 56th Street.

Sewer connections necessary for the property will connect into the existing 18-inch sewer main.

2.8. Storm Water and Section 404

Olsson reviewed several documents and plans to understand the various storm water management plans. The following studies for Desert Ridge were reviewed.

- Palisene-Paradise Ridge Conceptual Drainage Plan Update (Olsson, 2010, Robert L. Ward, 2009).
- Section 404 and 401 Permitting Documents to the US Army Corps of Engineers and Environmental Protection Agency.
- Implementation Handbook Including Best Management Practices for Complying With Terms and Conditions of Sections 401 and 404 of the Clean Water Act (ASLD, 2004).

Rainfall-runoff and sediment transport models were developed in the Palisene-Paradise Ridge Drainage Master Plan and updates are recognized as the source for

all peak discharge rates and to be used for all existing conditions for the area. Water-surface profile and sediment transport models of the existing and proposed corridors were also developed to understand the conditions of the existing systems and to size the proposed wash corridor systems.

Palisene-Paradise Ridge generally drains from north to south in a westerly direction. In the subject parcel, Wash Corridor No. 67 has been identified as a corridor that is to be preserved in a natural condition for storm water and sediment flow south of SR 101L. In total, the wash corridor has an area of approximately 9 acres.

Wash Corridor 67 will be a reconstructed wash corridor and will have a natural bottom and vegetated side slopes. The corridor will be designed to be compatible with existing natural washes and future designed channel washes in the project vicinity. The reconstructed wash corridor will allow the benefits and natural function of floodplains to be maintained by conveying storm water flows across the property, protecting the adjacent areas from flooding, allowing storm water and sediment inflows to sustain vegetation and habitat in the washes, and mitigating damages to riparian habitat in other locations.

The wash corridor will be 320 feet wide. The width of the low-flow main channel will be between 50 - 70 feet wide and the overbanks will be approximately 100 - 125 feet wide. Flow depths within the overbanks will generally be shallow between 0.5 – 1.5 feet to encourage the growth of native vegetation.

The corridor will be designed to convey the peak discharge from the 100-year, 24-hour duration return frequency storm event as estimated in the rainfall-runoff models.

Screen and privacy walls will not be reinforced floodwalls, but the adjacent pads will be elevated above the 100-year water-surface elevation. Lateral migration of the low-flow main channel will be controlled by excavated toe-down bank protection that will extend below the estimated scour depth including single event and long-term scour with a 1.3 factor of safety.

A transition structure from the Desert Ridge Channel to the north will be constructed at the north end of the property. At the south end of the property, an additional transition structure will be constructed to ensure storm water flow exits the property similar to existing conditions. On-site storm water for site development and half-street improvements will be retained for the first flush storm. The COP will require 100-year, 2-hour retention.

2.9. Dry Utilities

The following dry utilities will be required to serve the proposed development:

- Electric power by Arizona Public Service
- Gas by Southwest Gas
- Cable by Cox Communications
- Telephone by CenturyLink

Arizona Public Service

Arizona Public Service (APS) services this area. APS recently installed a substation at the southwest corner of this property within the Mayo Clinic property. This substation has excess capacity and can be expected to serve the project. APS also has existing conduit in a duct bank along Mayo Boulevard to provide possible redundancy, however extending the service within 64th Street would be necessary. The exact needs of the project will be determined by the use. Once the demands are calculated for the use, APS will confirm and verify capacity.

The developer will enter into a line extension agreement with APS to coordinate construction as necessary for the demand. Within the Appendix is further information on standard APS costs of construction and the process. Due to the wide variety of possible needs within the project, for costs purposes it is assumed that a Joint Use Trench for APS, Cox and Century Link will be constructed in 64th Street from Mayo Blvd to the south property limits.

Southwest Gas

Southwest Gas presently has a high pressure main in Mayo Blvd which extends from Scottsdale Road to a point just west of 56th Street. At this location Southwest Gas

has placed a pressure reduction station on the south side of Mayo Blvd and installed a distribution main east to Scottsdale Road. The high pressure main continues west from the regulator station and terminates at Tatum Boulevard.

In summary, Southwest gas has high pressure gas from Scottsdale Road to Tatum Boulevard and distribution gas from Scottsdale Road to a point just west of 56th Street. To serve this project a connection in 64th Street and Mayo Boulevard will be required. The connection will be brought down 64th Street to the southeast corner of the project boundary.

For gas service the developer will be required to pay for installation of the facilities. To offset this cost the user can enter into a five (5) year agreement to refund some of the construction costs based on the amount of usage. The design and construction bidding will be completed by Southwest Gas.

Cox Communications and CenturyLink

Cable, fiber, and telephone services will be provided in the area by Cox and CenturyLink unless the developer has a specific contract with another provider. There is infrastructure in the area; however, additional construction may be necessary depending on demand and specific use. Due to the wide variety of possible needs within the project, for costs purposes it is assumed that a Joint Use Trench for APS, Cox and Century Link will be constructed in 64th Street from Mayo Blvd to the south property limits. The exact cost and/or reimbursement agreement will be coordinated directly with the provider based on use.

3. BASIS OF INFRASTRUCTURE COST

3.1. Estimated Construction Cost

The estimated construction cost is based on the tabulated major infrastructure items for Roadway, Water, Reclaimed Water, Sewer, Storm Water and Dry Utility proposed construction. The COP will charge Impact Fees and possibly provide Impact Fee Credits to select major infrastructure items for the development of this property. These Fees and Credits have not been included in the construction cost due to the high

dependence on use, square footages and other project parameters. See Section 3.2 Estimated Impact Fees for further information.

The approximate estimated construction cost: \$4,642,805.11

Costs were developed by comparison with recent bid results for COP. Unit costs from COP projects were utilized as a basis for estimating the recommended work. These costs are based on the most current data available, but are subject to change based on market conditions, labor, and available materials at the time of construction.

Estimates showing the breakdown of the costs are shown in Appendix A.

3.2. Estimated Impact Fees

The impacts fees for this site will depend heavily on the exact use, square footage, and mechanical design including water meter size and fixture unit counts. A sample calculation is included in the Appendix utilizing forms provided by COP and available here <http://phoenix.gov/pdd/devfees/impactfees/difestimate.html>. This link will allow estimate forms to be downloaded and completed to match the specific proposed use. Please note the numbers shown in the attached forms are provided for illustrative purposes only. The square footages listed are based on the allowable 0.2 FAR and the fixture units are estimated from similar use projects.

As the project proceeds through preliminary design, required improvements already listed in the Infrastructure Financing Plan for the City of Phoenix can be eligible for impact fee credits if they meet the requirements of City Code Section 29-12.

4. CONCLUSION

This Infrastructure Assessment Report provides KUD International the understanding of the current infrastructure of the property and surrounding area, as well as the proposed improvements that will be necessary for the development of the property.

In summary the existing Major Infrastructure and required Major Infrastructure Improvements are:

- Roadway

64th Street is not paved within the property limits. The COP construction project will build the ultimate paved section from SR 101L to Mayo Blvd. South of Mayo Blvd, full west half street improvements will be required. Improvements to the 64th Street and Mayo Blvd intersection may be required.

- Water

There are existing water mains in Mayo Blvd and 64th Street. The COP may require a looped water system depending on the fire flows required for the site.

- Reclaimed Water

A 30-inch Reclaimed Water Line exists in Mayo Blvd from Tatum Blvd to 64th Street which is connected to the Cave Creek Reclamation Plant, but is currently not in operation. A 20" line runs within 64th Street along the project frontage. For the proposed development the use of reclaimed water may be required depending on the proposed acreage of landscape areas of the development.

- Sewer

There is an existing 18-inch sewer along 64th Street that flows into an existing 36-inch sewer line that runs along the south property line to 56th Street. Sewer connections necessary for the property will connect into the existing 18-inch sewer main within 64th Street.

- Storm Water

Storm water improvements include channel reconstruction for wash 67 as outlined in the 404 Permit. The channel will have a low-flow main channel capable of conveying the erosive 10-year storm event. The channel will be constructed so it will be similar to the natural wash corridors and will contain the 100-year return frequency storm event peak discharge.

- Dry Utilities

Power, gas, and telecommunications are substantially in place to serve development, but the exact need is highly dependent on use and demand. At the time of development the exact needs will require confirmation.

5. REFERENCES

Olsson (Month 2010). Palisene-Paradise Ridge Conceptual Drainage Plan Update.
Prepared for Macerich.

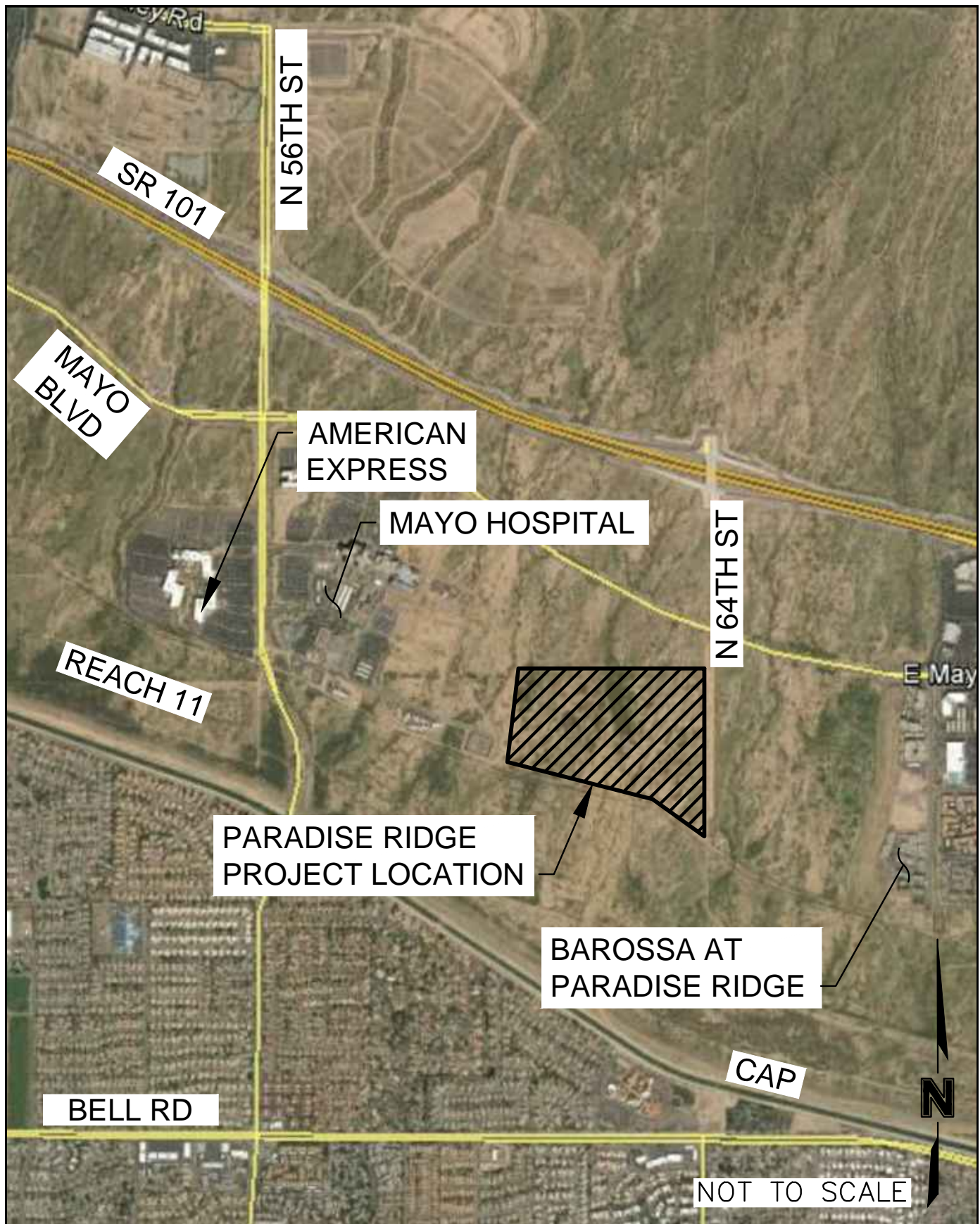
Prepared By (Month Year). Section 404 and 401 Permitting Documents. Prepared for
the US Army Corps of Engineers and Environmental Protection Agency.

ASLD (February 2004). Implementation Handbook Including Best Management
Practices for Complying With Terms and Conditions of Sections 401 and 404 of the
Clean Water Act. Prepared for ASLD.

KUD International, LCC (Month Year). Application Number 53-117098 KUD
International, LLC/Mixed Use Development. Prepared for Arizona State Land
Department

Olsson Associates (February 2014). ALTA/ACSM Land Title Survey – Tract 7, State
Plat No. 55, Paradise Ridge. Prepared for KUD International, LLC.

ASLD and Northeast Phoenix Partners (July 1990). Desert Ridge Specific Plan.
Prepared for City of Phoenix.



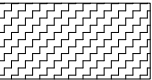
PROJECT NO: 013-1836	PROJECT LOCATION MAP		7250 North 16th Street Suite 210 Phoenix, AZ 85020-5282 TEL 602.748.1000 FAX 602.748.1001	FIGURE
DRAWN BY: MD				1
DATE: 04/25/14				



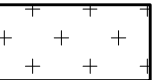
LEGEND



404 WASH



DRAINAGE EASEMENT



PARADISE RIDGE

PROJECT NO:	013-1836
DRAWN BY:	MD
DATE:	04/25/14

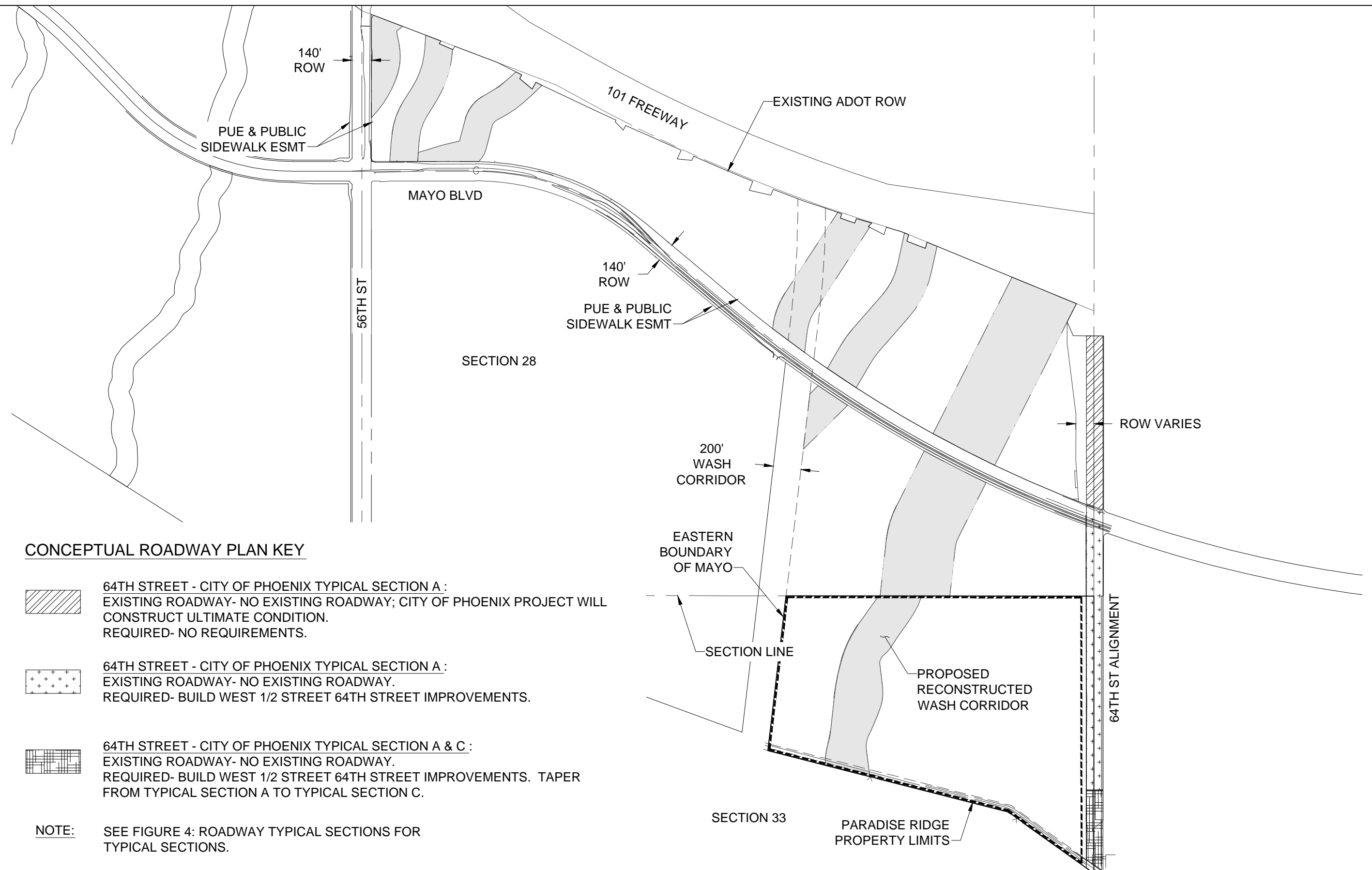
**PARADISE RIDGE
LAND USE PLAN**



7250 North 16th Street
Suite 210
Phoenix, AZ 85020-5282
TEL 602.748.1000
FAX 602.748.1001

FIGURE

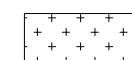
2



CONCEPTUAL ROADWAY PLAN KEY



64TH STREET - CITY OF PHOENIX TYPICAL SECTION A :
EXISTING ROADWAY- NO EXISTING ROADWAY; CITY OF PHOENIX PROJECT WILL
CONSTRUCT ULTIMATE CONDITION.
REQUIRED- NO REQUIREMENTS.



64TH STREET - CITY OF PHOENIX TYPICAL SECTION A :
EXISTING ROADWAY- NO EXISTING ROADWAY.
REQUIRED- BUILD WEST 1/2 STREET 64TH STREET IMPROVEMENTS.



64TH STREET - CITY OF PHOENIX TYPICAL SECTION A & C :
EXISTING ROADWAY- NO EXISTING ROADWAY.
REQUIRED- BUILD WEST 1/2 STREET 64TH STREET IMPROVEMENTS. TAPER
FROM TYPICAL SECTION A TO TYPICAL SECTION C.

NOTE: SEE FIGURE 4: ROADWAY TYPICAL SECTIONS FOR
TYPICAL SECTIONS.

PROJECT NO: 013-1836

DRAWN BY: MD

DATE: 04/25/14

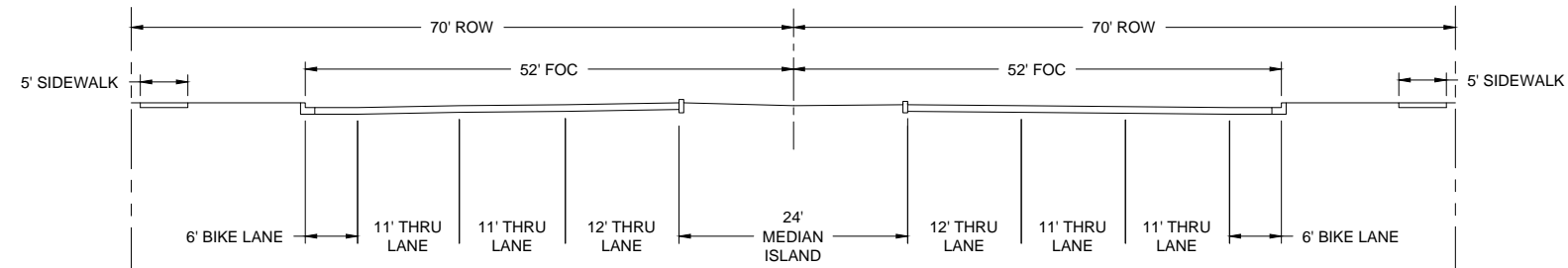
PARADISE RIDGE CONCEPTUAL ROADWAY PLAN

MOLSSON
ASSOCIATES

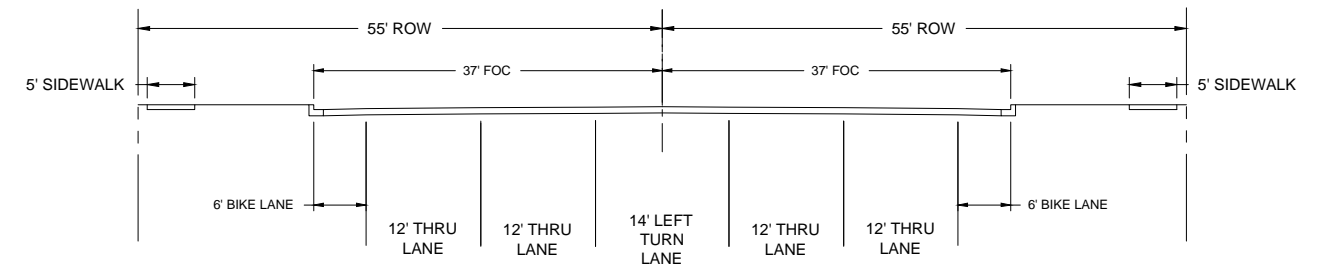
7250 North 16th Street
Suite 210
Phoenix, AZ 85020-5282
TEL 602.748.1000
FAX 602.748.1001

FIGURE

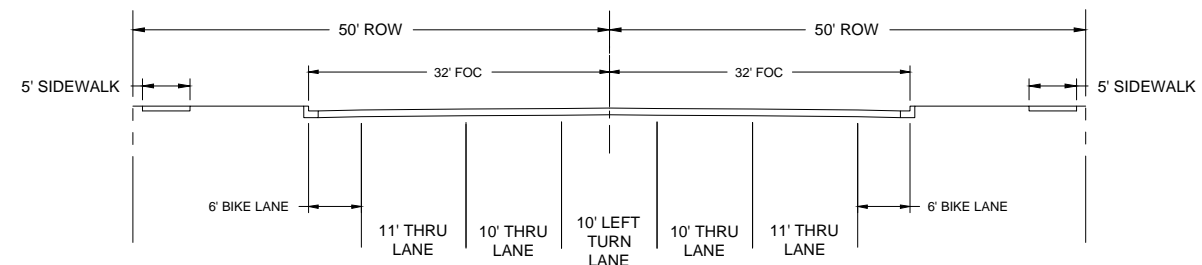
3



CROSS-SECTION "A" - MAJOR ARTERIAL



CROSS-SECTION "C" - MAJOR ARTERIAL AND ARTERIAL



CROSS-SECTION "D" - ARTERIAL AND MAJOR COLLECTOR

NOTE: CROSS-SECTIONS REFERENCED FROM THE CITY OF PHOENIX STREET PLANNING AND DESIGN GUIDELINES - STREET TRANSPORTATION - DECEMBER 1, 2009 - SECTION 2.2 - STREET SECTIONS.

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DATE: 04/25/14

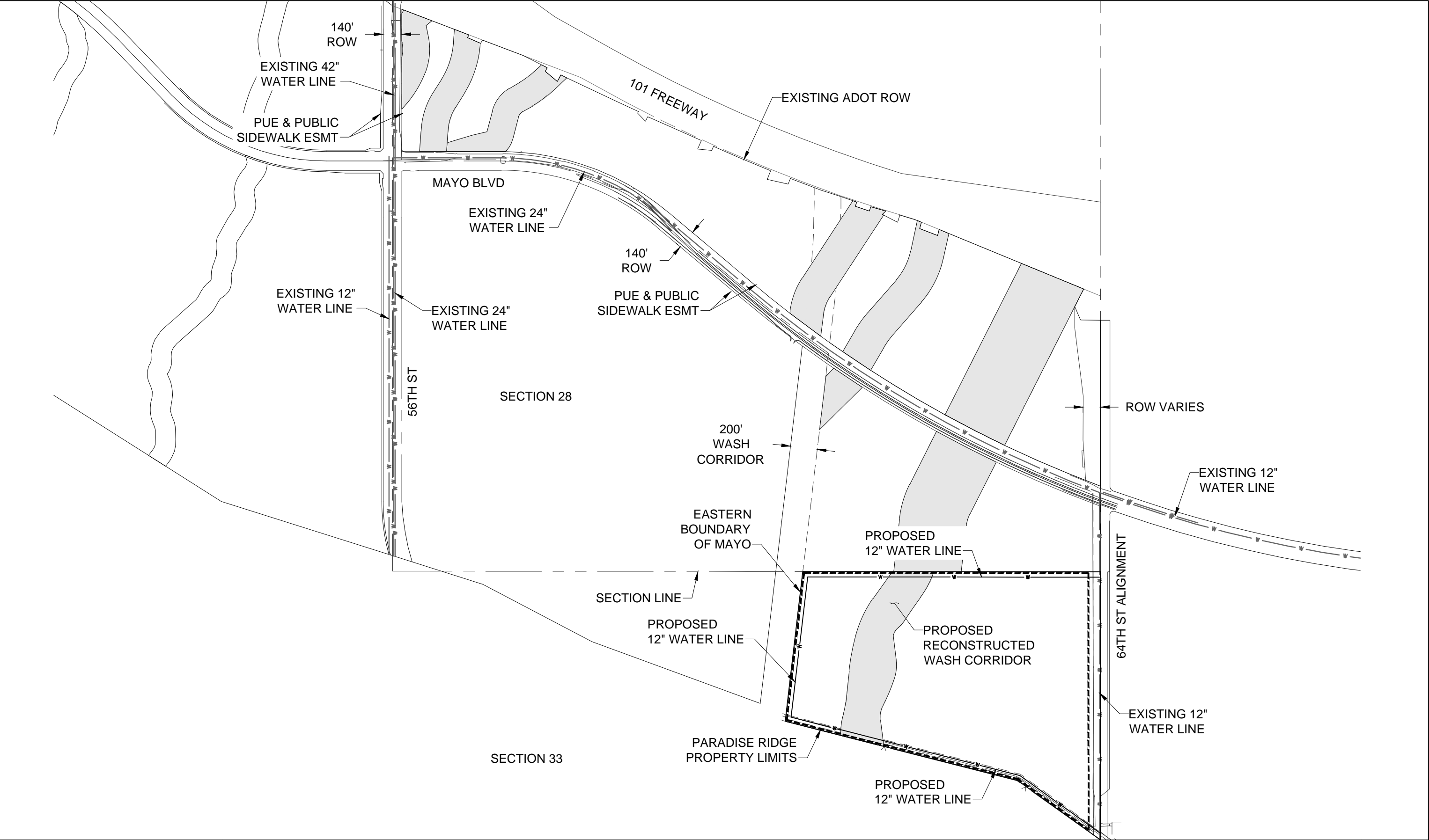
PARADISE RIDGE ROADWAY TYPICAL SECTIONS

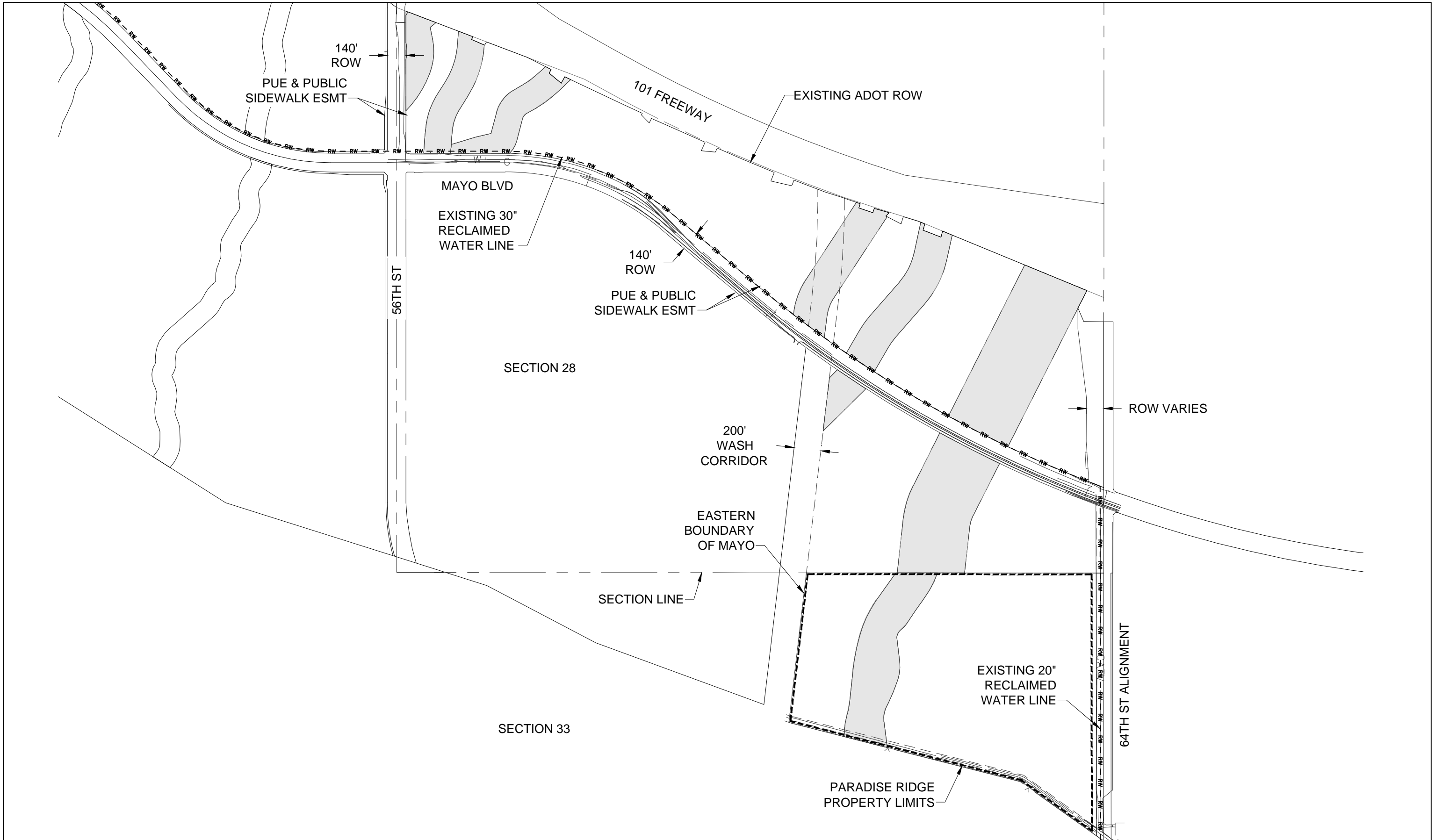
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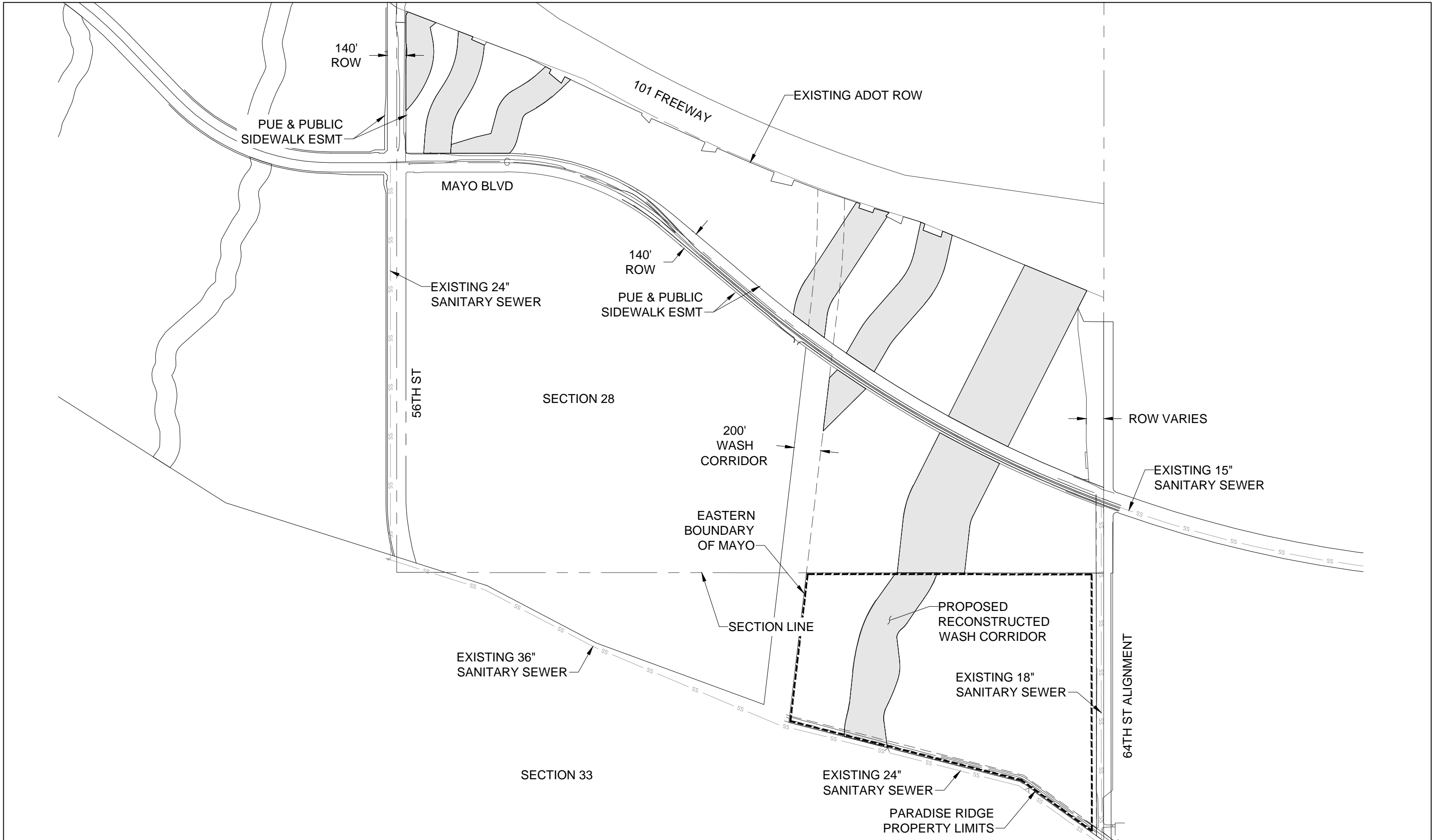
7250 North 16th Street
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FIGURE

4







PROJECT NO: 013-1836
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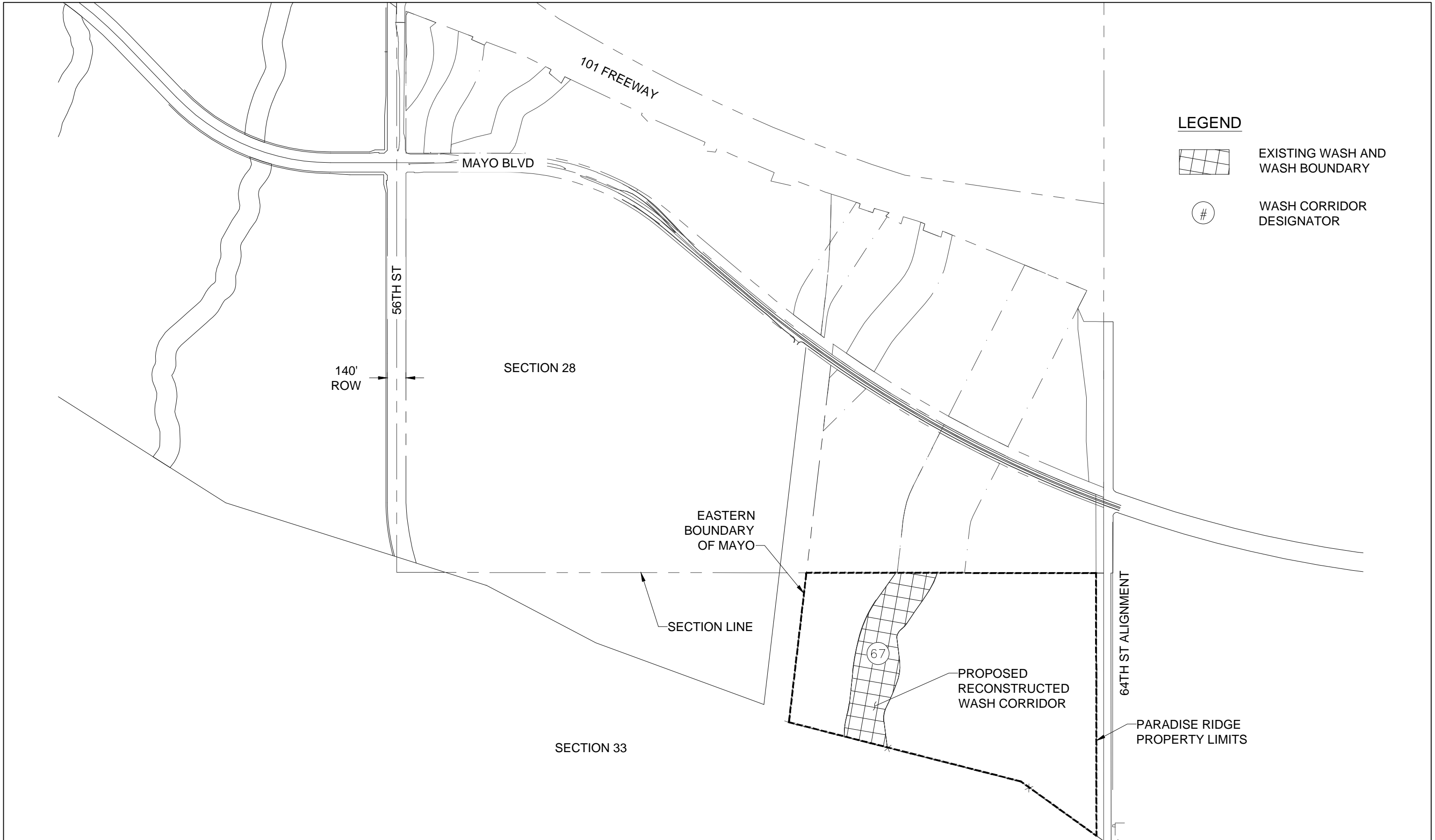
PARADISE RIDGE CONCEPTUAL SEWER PLAN

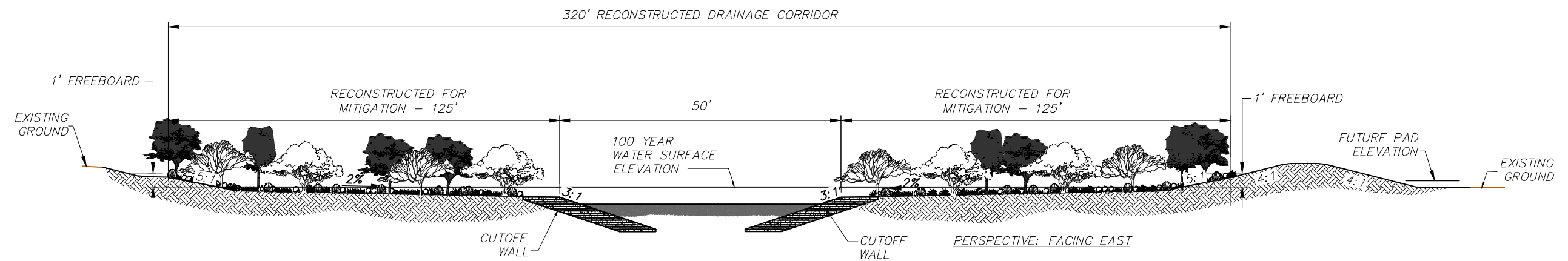


7250 North 16th Street
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FIGURE

7





RECONSTRUCTED RIPARIAN HABITAT CORRIDOR

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PARADISE RIDGE TYPICAL SECTION

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ASSOCIATES

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FIGURE

9

APPENDIX A

ENGINEERING CONSTRUCTION COST ESTIMATE

INFRASTRUCTURE ASSESSMENT REPORT - PARADISE RIDGE

Project Location : 64th Street - Mayo to Paradise Ridge
Prepared by : Olsson Associates

4/25/2014

ITEM	ITEM DESCRIPTION	UNIT			
			QUANTITY	UNIT PRICE	AMOUNT
ROADWAY ITEMS					
	Mobilization	LS	1	\$295,000.00	\$295,000.00
	Overexcavation	CY	16,806	\$10.00	\$168,060.00
	Clearing & Grubbing and Subgrade Preparation	SY	19,028	\$2.00	\$38,056.00
	Fill Construction	CY	22,408	\$10.00	\$224,080.00
	Asphalt Concrete Surface Course (Type D 1/2, 1-1/2" Thick)	TONS	882	\$60.00	\$52,920.00
	Asphalt Concrete Base Course(Type A 1-1/2, 6" Thick)	TONS	3,524	\$60.00	\$211,440.00
	Concrete Sidewalk	SF	12,500	\$4.00	\$50,000.00
	Concrete Sidewalk Ramp	EACH	2	\$1,500.00	\$3,000.00
	Concrete Driveway Entrance, MAG Standard Detail 251	SF	585	\$6.00	\$3,510.00
	Combined Concrete Curb and Gutter, Std. Detail 220, Type "A"	LF	2,500	\$20.00	\$50,000.00
	Concrete Single Curb, Std. Detail 222, Type "A"	LF	2,500	\$15.00	\$37,500.00
	Traffic Signal Mayo Blvd and 64th Street	LS	1	\$250,000.00	\$250,000.00
	Street Lighting Per Plan, Complete and in Place	EACH	13	\$4,000.00	\$52,000.00
	Pavement Marking	LF	6,875	\$0.70	\$4,812.50
	Landscaping	SY	3,612	\$30.00	\$108,360.00
SUBTOTAL ROADWAY ITEMS					1,548,738.50
PROPERTY ACCESS RIGHT TURN LANE					
	Asphalt Concrete Surface Course (Type D 1/2, 1-1/2" Thick)	TONS	54	\$60.00	\$3,240.00
	Asphalt Concrete Base Course(Type A 1-1/2, 6" Thick)	TONS	216	\$60.00	\$12,960.00
SUBTOTAL PROPERTY ACCESS RIGHT TURN LANE					16,200.00
WATER ITEMS					
	6" Water Pipe and Fittings, Furnish & Install	LF	70	\$30.00	\$2,100.00
	8" Water Pipe and Fittings, Furnish & Install	LF	360	\$50.00	\$18,000.00
	12" Water Pipe and Fittings, Furnish & Install	LF	5,400	\$75.00	\$405,000.00
	Fire Hydrant Assembly	EACH	9	\$2,500.00	\$22,500.00
SUBTOTAL WATER ITEMS					\$447,600.00
RECLAIMED WATER ITEMS					
	No cost for reclaimed water connections have been included.				
SUBTOTAL RECLAIMED WATER ITEMS					\$0.00

ENGINEERING CONSTRUCTION COST ESTIMATE

INFRASTRUCTURE ASSESSMENT REPORT - PARADISE RIDGE

Project Location : 64th Street - Mayo to Paradise Ridge
Prepared by : Olsson Associates

4/25/2014

ITEM	ITEM DESCRIPTION	UNIT			
			QUANTITY	UNIT PRICE	AMOUNT
SEWER ITEMS					
	6" Sanitary Sewer Pipe	LF	70	\$50.00	\$3,500.00
	Construct 5-Foot Diameter Sanitary Manhole	EACH	1	\$5,800.00	\$5,800.00
SUBTOTAL SEWER ITEMS					\$9,300.00
STORM DRAIN ITEMS					
	Reconstructed Channel Excavation	CY	32,400	\$6.00	\$194,400.00
	Cutoff Wall	CY	3,800	\$70.00	\$266,000.00
	Landscape/Irrigation for Natural Wash Cooridors	ACRE	1	\$72,600.00	\$87,120.00
STORM DRAIN ITEMS					\$547,520.00
DRY UTILITY ITEMS					
	APS, Cox and Century Link - Joint Trench	LF	2,500	\$60.00	\$150,000.00
	APS, Cox and Century Link - Manholes	Each	3	\$6,000.00	\$18,000.00
	Southwest Gas - 4" Inch	LF	2,500	\$70.00	\$175,000.00
SUBTOTAL DRY UTILITY ITEMS					\$343,000.00
SUBTTOTAL CONSTRUCTION COST					\$2,912,358.50
	CONTINGENCY & UNIDENTIFIED ITEMS (20%)				\$582,471.70
SUBTOTAL CONSTRUCTION COST AND CONTIGNECY					\$3,494,830.20
	FINAL DESIGN ENGINEERING (8%)				\$279,586.42
	CONSTRUCTION ENGINEERING (15%)				\$524,224.53
	CONSTRUCTION SURVEYING (1.5%)				\$52,422.45
	TRAFFIC CONTROL (5%)				\$174,741.51
	ARCHEOLOGY	LS			\$117,000.00
TOTAL CONSTRUCTION COST					\$4,642,805.11

ENGINEERING CONSTRUCTION COST ESTIMATE

INFRASTRUCTURE ASSESSMENT REPORT - PARADISE RIDGE

Project Location : 64th Street - Mayo to Paradise Ridge

Prepared by : Olsson Associates

ITEM	CONSTRUCTION COST ESTIMATE ASSUMPTIONS
ROADWAY ITEMS	Construction Limits - 1/2 Street Improvements from Mayo Blvd to South Property Limits
Overexcavation	Unsuitable material in roadway prism. Assume 3 feet of Overexcavation from centerline to 10 feet outside of Curb and Gutter. Width = 63 feet.
Fill Construction	Includes placing embankment in the overexcavation limits and assumption of roadway in 1 foot of fill.
Concrete Driveway Entrance, MAG Standard Detail 251	1 entrance on 64th Street
WATER ITEMS	
6" Water Pipe and Fittings, Furnish & Install	1 connection to Paradise Ridge Property at 70 lft per connection within the Public Right-of-Way
8" Water Pipe and Fittings, Furnish & Install	40 lft per hydrant
12" Water Pipe and Fittings, Furnish & Install	Cost includes all required items for waterline construction. Valves, bends, etc..
Fire Hydrant Assembly	Hydrants spaced every 300 feet
RECLAIMED WATER ITEMS	
	No cost for reclaimed water connections have been included.
SEWER ITEMS	
6" Sanitary Sewer Pipe	1 connection to Paradise Ridge Property at 70 lft per connection within the Public Right-of-Way
Construct 5-Foot Diameter Sanitary Manhole	Manholes spaced every 500 feet
STORM DRAIN ITEMS	
Reconstructed Channel Excavation	Entire channel is excavated
Cutoff Wall	4:1 SS. Toe-down depth of 8.5 feet.
Landscape/Irrigation for Natural Wash Corridors	Assume 20' landscape buffers along each edge of the channels.
DRY UTILITY ITEMS	
APS, Cox and Century Link - Joint Trench	APS, Cox and Century Link in Joint Trench. Joint Trench is assumed in 64th Street from Mayo Blvd to south property Limits.
APS, Cox and Century Link - Manholes	Manholes spaced every 1000 feet
Southwest Gas - 4" Inch	4" Gas is assumed in 64th Street from Mayo Blvd to south property Limits. Cost includes all required items for gas line construction.

APPENDIX B

City of Phoenix Impact Fee Estimator

Fees Effective 1/1/12 onward

(updated July 2013)

1. Project Data	
Paradise Ridge	<< Project Name (optional)
	<< Kiva Project # (optional)
	<< Permit Number (if known)
76.81	<< Gross Acreage of Property
550,000	<< Square Footage of Development
0	<< Number of Units (if applicable)
Ijs	<< Enter your name or initials (optional)

2. Use	
2	Single Family Detached
3	Multi-Family
4	Mobile Home/RV Park
5	Office
6	Retail/Commercial
7	Lodging, Hotel/Motel, Resort
8	Religious Facility
9	Day Care
10	Private Elem School
11	Private High School
12	Hospital
13	Nursing Home
14	Institutional (Other)
15	Industrial
16	Warehouse
17	Mini-Warehouse
5	<< Enter Use Category

3. Impact Fee Area	
1	Ahwatukee - East of 19th Avenue
2	Ahwatukee - West of 19th Avenue
3	Deer Valley - (I) West of I-17 Within Softwind Lift Station Area
4	Deer Valley - (II) Softwind Lift Station Area to Deem Hills
5	Deer Valley - (III) Deem Hills to I-17
6	Deer Valley - (IV) East of I-17 and South of CAP
7	Deer Valley - (V) North of CAP
8	Desert View
9	Estrella - North of Durango
10	Estrella - South of Durango
11	Laveen - East
12	Laveen - West
13	North Gateway - West
14	North Gateway - North Black Canyon Corridor
8	<< Enter Impact Fee Area Category

4. Water Meter Type(s)			
Category	Size of Water Meter	EDU's	Development Occupational Fee (same for both Water and Wastewater)
1	3/4" Displacement/Multi-jet	1.5	\$600 per meter
2	1" Displacement/Multi-jet	2.5	\$1,500 per meter
3	1 - 1/2" Displacement/Class I Turbine	5	\$2,760 per meter
4	2" Compound or Displacement	8	\$4,500 per meter
5	2" Class I & II Turbine	8	\$7,200 per meter
6	3" Displacement	15	\$9,000 per meter
7	3" Compound	16	\$9,240 per meter
8	3" Class I & II Turbine	17.5	\$16,200 per meter
9	4" Displacement or Compound	25	\$15,000 per meter
10	4" Class I Turbine	30	\$18,000 per meter
11	6" Displacement or Compound	50	\$27,600 per meter
12	6" Class I Turbine	62.5	\$37,500 per meter
13	8" Compound	80	\$48,000 per meter
14	8" Class I Turbine	90	\$54,000 per meter
15	Multi-Family, EDU per unit (shared meters)	0.49	\$360 per EDU
16	Multi-Family, EDU per unit (individually metered)	1.00	\$600 per EDU
17	Single-Family, EDU per dwelling unit	1.00	\$600 per EDU
13	<< Enter Domestic Water Meter Category (if none, leave blank)	D	
11	<< Enter Type of Water Meter #2 Landscape (L) or Domestic (D) >>	D	
	<< Enter Type of Water Meter #3 Landscape (L) or Domestic (D) >>		
	<< Enter Type of Water Meter #4 Landscape (L) or Domestic (D) >>		

5. Wastewater Impact Fees	
5500	<< Number of Drainage Fixture Units (DFU's) (leave blank for single-family)

6. Date Permit will be obtained	
1/0/1900	<< Enter Date (xx/xx/xxxx)

7. Date of Final Approval associated with permit**	
1/0/1900	<< Enter Date (xx/xx/xxxx)

- ** The Date of Final Approval to be entered shall be as follows:
1. For a single-family home, enter the date that the Final Plat for the subdivision was recorded. If no final plat, enter today

2. For all other types of development, enter the date that Final Site Plan approval was granted. If there is no Final Site Pl

Development Impact Fee Calculations for:			
Kiva Project #	Paradise Ridge		Anticipated Permit Date: 1/0/1900
Permit Number#	Impact Fee Area: Desert View		

Project Assumptions		
Gross Acreage of Property:	76.81	
Square Footage of Development:	550,000	
Land Use:	Office	
Number of Units:	n/a	
Number of Fixture Units:	5,500	
1st Water Meter:	Domestic	8" Compound
2nd Water Meter:	Domestic	6" Displacement or Compound
3rd Water Meter:	n/a	n/a
4th Water Meter:	n/a	n/a

**Fees calculated below include Development Impact Fees only. WRA fees, Development Occupational Fees, permit and review fees, etc. are additional and not shown on this worksheet. Approved development impact fee credits, which may reduce the amounts payable, are also not shown in the fee calculations.

Necessary Public Service Category	Square Footage or Number of Units	Unit of Measurement	Number of Units	EDU Factor (EDUs per unit) (1)	Total EDUs	Gross Fee Per EDU (1)	Gross Development Impact Fee for Project	Tax, AHUR, Rate Offsets per EDU (1)	Total Tax, AHUR Offsets	Development Occupational Fee Offset (2)	All Offsets	Gross Impact Fees minus Offsets	Percentage Adjustment (1)	Current Net Impact Fees (3)	Alternative Net Impact Fees (4)	NET IMPACT FEES CHARGED	Administrative Charge (1% of Gross Impact Fees)	
Fire Protection	550,000	per 1000 sf	550.00	0.63	346.50	\$414	\$143,451	\$86	\$29,799	\$0	\$29,799	\$113,652	100.00%	\$113,652	n/a	\$113,652	Total Due at time of Permit Issuance	
Libraries	550,000	per 1000 sf	550.00	0.63	346.50	\$102	\$35,343	\$49	\$16,979	\$0	\$16,979	\$18,364	100.00%	\$18,364	n/a	\$18,364		
Parks	550,000	per 1000 sf	550.00	0.63	346.50	\$2,068	\$716,562	\$455	\$157,658	\$0	\$157,658	\$558,904	30.76%	\$171,919	n/a	\$171,919		
Police	550,000	per 1000 sf	550.00	0.63	346.50	\$230	\$79,695	\$53	\$18,365	\$0	\$18,365	\$61,330	100.00%	\$61,330	n/a	\$61,330		
Roadway Facilities	550,000	per 1000 sf	550.00	1.05	577.50	\$1,866	\$1,077,615	\$564	\$325,710	\$0	\$325,710	\$751,905	97.77%	\$735,138	n/a	\$735,138		
			Gross Area - Acres	EDU per Acre (1)														
Storm Drainage	n/a	Gross Acreage	76.81	4	307.24	\$0	\$0	\$0	\$0	\$0	\$0	\$0	100.00%	\$0	n/a	\$0		
			Total Number of Drainage Fixture Units	EDU Factor (1)														
Wastewater	n/a	DFUs	5500	DFUs + 23	239.13	\$4,376	\$1,046,433	\$598	\$143,000	\$75,600	\$218,600	\$827,833	100.00%	\$827,833	n/a	\$827,833		
	Water Meter Details			EDU Factor														
Water Meter #1	Domestic	8" Compound		1.00	80.00	\$5,921	\$473,680	\$211	\$16,880	\$48,000	\$64,880	\$408,800	100.00%	\$408,800	n/a	\$408,800		
Water Meter #2	Domestic	6" Displacement or Compound		1.00	50.00	\$5,921	\$296,050	\$211	\$10,550	\$27,600	\$38,150	\$257,900	100.00%	\$257,900	n/a	\$257,900		
Water Meter #3	n/a	n/a		n/a	0.00	\$0	\$0	\$0	\$0	\$0	\$0	\$0	100.00%	\$0	n/a	\$0		
Water Meter #4	n/a	n/a		n/a	0.00	\$0	\$0	\$0	\$0	\$0	\$0	\$0	100.00%	\$0	n/a	\$0		
Water - Impact Fee Total					130.00		\$769,730		\$27,430	\$75,600	\$103,030	\$666,700		\$666,700	\$0	\$666,700		
TOTALS							\$3,868,829		\$718,941		\$870,141	\$2,998,688		\$2,594,936	n/a	\$2,594,936	\$38,688	\$2,633,624

(1) Source: Appendix A, Chapter 29 of the Phoenix City Code, various tables.
(2) Source: Water and Sewer Development Occupational fees in Sections 19A to 19D. of the Phoenix City Code
(3) Derived from Appendix A, Chapter 29 of the Phoenix City Code, various tables.
(4) Alternative Impact Fees derived from previous impact fe data and calculations provided in Ordinance G-5617, adopted May 18, 2011.

APPENDIX C



City of Phoenix
PLANNING DEPARTMENT

13 AUG 20 11 57 REC'D ASD

August 16, 2013

Mr. Greg Novak
Lease Administrator
Sales and Commercial Leasing Section
Arizona State Land Department
1616 West Adams Street
Phoenix, AZ 85007

RE: APPLICATION NUMBER 53-117098 – KUD International, LLC/Mixed-Use Development

Dear Mr. Novak:

Thank you for the opportunity to comment on Application 53-117098. The applicant (KUD International, LLC) is requesting to develop a mixed-use development with a focus on biomedical and research facilities, other uses compatible with the Mayo Clinic's mission, and other complimentary uses such as residential and hotels on a parcel located south of the southwest corner of Mayo Boulevard and 64th Street alignment (Paradise Ridge PCD).

Staff has reviewed the applications and has the following comments:

Planning and Development Department

The subject site is zoned PCD (Approved CP/BP PCD) (Commerce Park/Business Park, Planned Community District). Rezoning Case No. Z-87-03-2 approved the CP/BP zoning on the site, subject to stipulations. The Commerce Park/Business Park option allows for research laboratories for scientific research, investigation, testing or experimentation which may include prototype product development, motels and hotels. The current approved zoning does not allow residential uses. A major amendment to the Paradise Ridge PCD through the public hearing process would be required.

Community and Economic Development Department

The Community and Economic Development Department (CEDD) strongly supports KUD's request to purchase ASLD land to develop the site with a focus on biomedical and research facilities, and other uses that are compatible with the existing Mayo Clinic Hospital campus, as outlined in their application. These proposed uses are consistent with the City's vision of creating the Arizona Biomedical Corridor (ABC), a high-wage employment corridor that will help expand the state's bioscience industry by clustering compatible organizations with quality jobs in the Desert Ridge area.

CEDD also supports the development of one or more hotels/resorts on the site as they may be useful and/or compatible with adjacent corporate headquarters/offices that the City is

interested in attracting/locating to the ABC. These entities, as well as those who utilize the Mayo Clinic, may prefer to have lodging accommodations nearby.

However, CEDD is not supportive of residential uses on the site. The ABC is envisioned as an employment corridor that has the potential to house thousands of jobs; therefore, residential is not consistent with the City's plans for the area. Secondly, with a hospital campus adjacent to the site, along with significant commercial and research facilities on-site that have round the clock activity, there may be conflicts with residents and their needs for less traffic and quiet neighborhoods. Given the partnership the City has with the Mayo Clinic and Arizona State University to develop the ABC, residential does not appear to be the highest and best, nor desirable use for this location.

Street Transportation Department

A feasibility study was recently completed for 64th Street from Mayo Boulevard to Bell Road and the following stipulations were taken from this study:

64th Street:

A minimum of 70-feet of right-of-way shall be dedicated for the west half of 64th Street (typical section "A") while tapering south to a 55-foot right-of-way (Typical section "C"). Associated slope easement (varies) shall be dedicated for west half of 64th Street to accommodate roadway and future bridge abutment over CAP canal.

Improvements:

Full half street improvements are required for the west half of 64th Street; curb, gutter, sidewalk, streetlights & landscaping.

Mayo Boulevard:

A Traffic Impact Analysis will be required for the proposed development. Future considerations for mainline Mayo Boulevard and 64th Street intersection improvements to be stipulated through the Site Plan process & associated Traffic Impact Analysis review.

Water Services Department

Water

The proposed use may require a looped water system depending on the fire flows required for the site. Water service can be provided from the 12-inch dead end water main located in the 64th Street alignment where it bounds to the eastern property line. The 12-inch water main is served by a 24-inch transmission main in Mayo Boulevard. If the site requires a looped system to accommodate fire flows for the future development, the dead end 12-inch may possibly require another connection towards Mayo Boulevard.

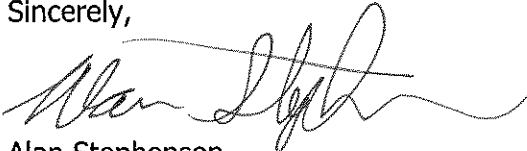
Sewer

There is an existing 18-inch sewer main in the 64th Street alignment where it bounds to the eastern property line. The 18-inch sewer main connects to a 36-inch sewer main located along the south boundary of this parcel where sewer flows toward 56th Street.

The design and construction of any facilities needed to connect to or increase the capacity of the existing infrastructure will be the responsibility of the developer. Please be advised that capacity is a dynamic condition that can change over time due to a variety of factors. It is our intent to provide water and sewer service. However, the requirements and assurances for such water and sewer service are not determined until the time of application for site plan, PCD master plan, or building permit approval. These requirements will be based on the status of our water and sewer infrastructure at the time the application is submitted. For any given property, these requirements may vary over time to be less or more restrictive depending on the status of our infrastructure.

For any other additional information, please contact Tricia Gomes at 602-262-4870 or tricia.gomes@phoenix.gov.

Sincerely,



Alan Stephenson
Acting Planning and Development Director

- c: Rick Naimark, Deputy City Manager
Shane Silsby, Street Transportation Department
Chris Kowalsky, Street Transportation Department
Scott Sumners, Community and Economic Development
Michelle Zazueta-Bonow, Community and Economic Development
Lucy Graham, Water Services Department
Sandra Hoffman, Planning and Development Department
Arizona State Land Department File



City of Phoenix
PLANNING DEPARTMENT

*13 AUG 20 AM 8 56 REC'D ASLD

BDD

January 22, 2004

Gordon Taylor
Arizona State Land Dept
1616 W Adams
Phoenix, AZ 85007

Dear Applicant:

RE: Rezoning Application Z-87-03-2, Northwest corner and southwest corner of Scottsdale Road and Loop 101, (approximately 908.03 acres)

Please be advised that the Phoenix City Council, in accordance with the provisions of Section 506.B.4 of the Zoning Ordinance, as amended, has on November 5, 2003, concurred in the recommendation of the Planning Commission and has ratified on the Consent Agenda Application Z-87-03-2 to approve approximately 908.03 acres to R-3A PCD, CP/BP PCD, C-2 MR PCD, and RH PCD, subject to the following stipulations:

STIPULATIONS:

1. That Master Plan documents may be submitted for portions of the Planned Community District as development occurs per the applicable development agreement.
2. That right-of-way and improvements shall be determined by the final Traffic Impact Study, and a Master Street Plan - Development Agreement between the city, Arizona State Land Department and the City of Scottsdale. Additional right-of-way and/or easements not specifically identified, such as bus bays, turn lanes, landscape/sidewalk easements, slope and construction easements, etc., may be required as determined by the Master Street Plan, or when individual development plans are submitted to Development Services Department for approval.
3. That Scottsdale Road shall be a scenic corridor with an easement width to be determined throughout the Master Street Plan, Drainage Plan, and Landscape Plan for Scottsdale Road.
4. That detailed requirements for potable water, wastewater, and reclaimed water onsite and offsite infrastructure needed to service this project and infrastructure phasing schedules shall be determined at the time of review and approval of the PCD potable water, wastewater, and reclaimed water master plans. Off site infrastructure requirements shall be a function of the amount of major master plan water and sewer lines constructed by other development in the area prior to the initiation of this project.

5. That prior to preliminary site plan approvals, site plans and elevations shall be reviewed by the Desert View Village Planning Committee and the Planning Commission for each parcel ensuring the inclusion of the following concepts:
 - A. Create a local synergy through stylistic elements with the indoor/outdoor character of the buildings and public spaces that provide a strong pedestrian sense of place.
 - B. Incorporate mature desert landscaping, particularly shade along pathways.
 - C. Include a variety of paving materials for the sidewalk, appropriately scaled light posts, and decorative lighting elements to enhance the streetscape.
 - D. Incorporate various architectural elements for multi-story buildings such as balconies overlooking public spaces and that face view corridors, pop out windows and design elements that compliment the community theme.
6. That the first tier of buildings along Scottsdale Road from Loop 101 to Deer Valley Road shall not exceed 60 feet in height for a width of 300 feet mirroring that of the Stack 40's development on the east side of Scottsdale Road. Should the City of Scottsdale deem it necessary for a greater height, the City of Phoenix shall concur to the additional height.
7. That the core shall be anchored by a department store regional shopping center. In the event the regional shopping center has not commenced construction within a six-year period, the stipulation requiring a regional center shall be reviewed for timeliness and appropriateness by the Desert View Village Planning Committee, the City of Phoenix Planning Commission, and the City Council.

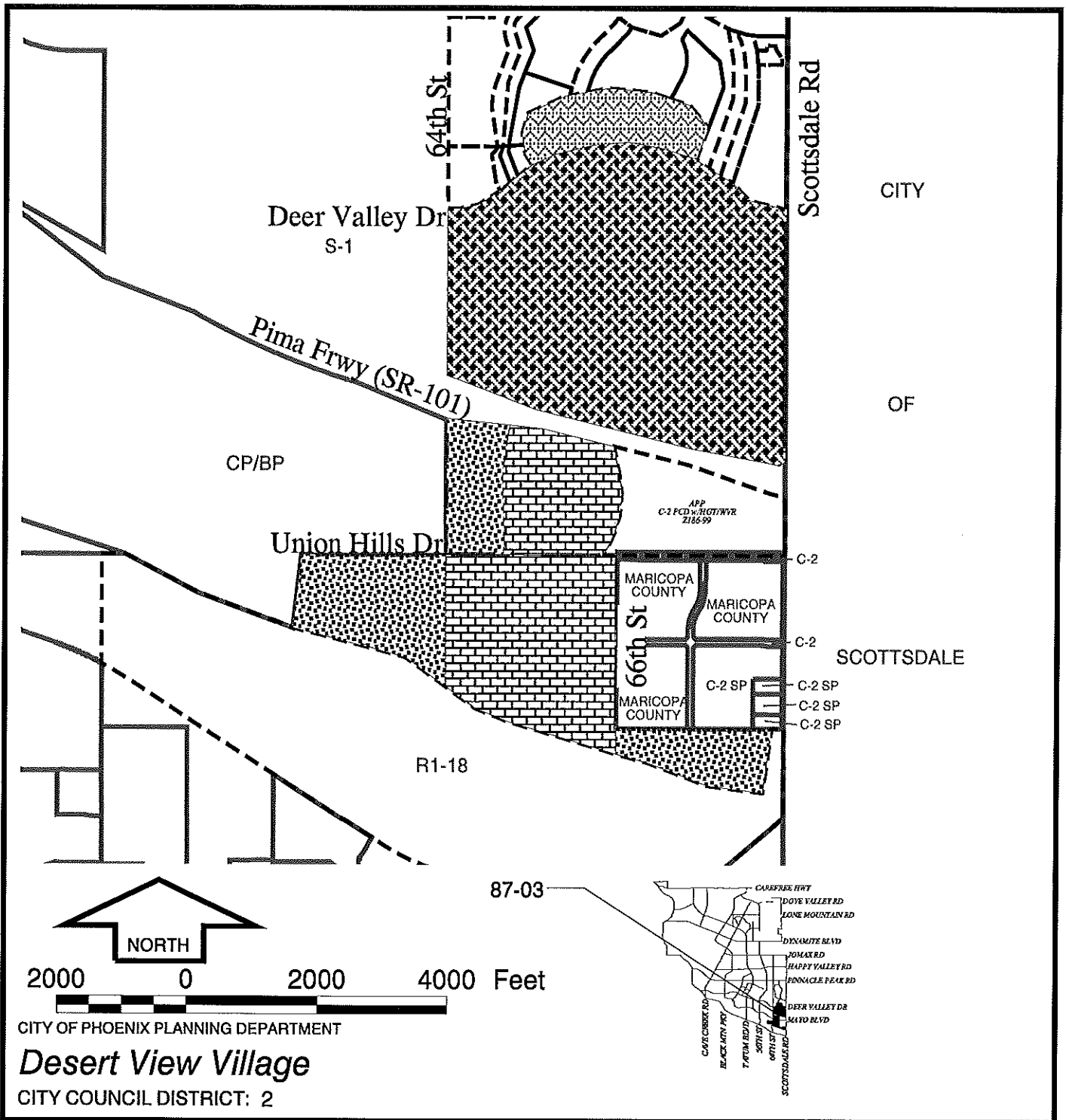
Sincerely,

Michelle Dodds

Michelle Dodds, AICP
Principal Planner

H:\data\hearings\pho\rat\Z-87-03-2

C: City Clerk
Files
Kelly Walker (sent electronically)
E.J. Hyncik, Public Transit (sent elec)
Book
Jay Neville (sent electronically)
Ken Black (sent electronically)
Dave Barrier, DSD (sent electronically)
Bernadine Alling (sent electronically)
Lynn West (sent electronically)
City of Phoenix, Planning Department, 200 W Washington, 6th Floor, Phoenix, AZ 85003
Gordon Taylor, Arizona State Land Dept, 1616 W Adams, Phoenix, AZ 85007



APPLICANT'S NAME: City of Phoenix Planning Commission		REQUESTED CHANGE: S-1 (633.97 ac) & R1-18 (274.16 ac) FROM: [Appr. PCD]	
APPLICATION NO. 87-03	DATE: 7-28-2003	TO: R-3A PCD (231.48 ac) CP/BP PCD (158.15 ac) C-2 M-R PCD (467.74 ac) RH PCD (50.66 ac)	
GROSS AREA INCLUDING 1/2 STREET AND ALLEY DEDICATION IS APPROX. 908.03 Acres	AERIAL PHOTO & QUARTER SEC. NO. Various	ZONING MAP M, N, O-12	
MULTIPLES PERMITTED S-1, R1-18	CONVENTIONAL OPTION 710 / 534		* UNITS P.R.D. OPTION N/A / 562
R-3A PCD, CP/BP PCD, C-2 M-R PCD, RH PCD	5092 / N/A / N/A / 1013		5347 / N/A / N/A / N/A

* Maximum Units Allowed with P.R.D. Bonus

8-29-2003

APPENDIX D



SERVICE SCHEDULE 3 CONDITIONS GOVERNING EXTENSIONS OF ELECTRIC DISTRIBUTION LINES AND SERVICES

Provision of electric service from Arizona Public Service Company (Company) may require construction of new facilities or the relocation and/or upgrade of existing facilities. Costs for construction depend on the applicant's location, scope of project, load size, and load characteristics. Costs include, but are not limited to, project management, coordination, engineering, design, surveys, permits, construction inspection, and support services. This schedule establishes the terms and conditions under which Company will extend, relocate, and/or upgrade its facilities in order to provide service.

All facility installations and/or upgrades shall be made in accordance with good utility construction practices, as determined by Company, and are subject to the availability of adequate capacity, voltage and Company facilities at the beginning point of an extension as determined by Company.

The following provisions govern the installation of overhead and underground electric distribution facilities to applicants whose requirements are deemed by Company to be usual and reasonable in nature.

1. DEFINITIONS

- 1.1. **APS Approved Electrical Distribution Contractor** means an electrical contractor who is licensed in the State of Arizona and properly qualified to install electric distribution facilities in accordance with Company standards and good utility construction practices as determined by Company.
- 1.2. **Conduit Only Design** means the conduit layout design for the installation of underground Extension Facilities that will be required when the Extension Facilities are to be installed at a later date.
- 1.3. **Corporate Business and Industrial Development** means a tract of land which has been divided into contiguous lots in which a developer offers improved lots for sale and the purchaser of the lot is responsible for construction of buildings for commercial and/or industrial use.
- 1.4. **Doubtful Permanency** means a customer who in the opinion of the Company is neither Permanent nor Temporary. Service which, in the opinion of the Company, is for operations of a speculative character is considered Doubtfully Permanent.
- 1.5. **Economic Feasibility** means a determination by Company that the estimated annual revenue based on Company's then currently effective rate for delivery service (excluding taxes, regulatory assessment and other adjustments) less the cost of service provides an adequate rate of return on the investment made by Company to serve the applicant.
- 1.6. **Execution Date** means the date Company signs the agreement after the applicant has signed the agreement and money has been collected by company.
- 1.7. **Extension Facilities** means the electrical facilities, including conductors, cables, transformers, and related equipment installed solely to serve an individual applicant, or groups of applicants. For example, the Extension Facilities to serve a Residential Subdivision would consist of the line extension required to connect the subdivision to Company's existing system, as well as Company's electrical facilities constructed within the subdivision which would include primary and service lines, and transformers.
- 1.8. **High Rise and/or Mixed-Use Development** means a building built with four or more floors (usually using elevators for accessing floors) or any mixed use development that may consist of either residential or non-residential use or both, such as a building where the first level is for commercial purposes and the upper floors are residential.
- 1.9. **Irrigation** means water pumping service.



SERVICE SCHEDULE 3 CONDITIONS GOVERNING EXTENSIONS OF ELECTRIC DISTRIBUTION LINES AND SERVICES

- 1.10. **Line Extension Agreement** means the contractual agreement between Company and applicant that defines applicant payment requirements, terms of refund, scope of project, estimated costs, and construction responsibilities for Company and the applicant. Line Extension Agreements may be assigned to applicants successors in interest with Company approval, which approval shall not be unreasonably withheld.
- 1.11. **Master Planned Community Development** means a development that consists of a number of separately subdivided parcels for different Residential Subdivisions. The development may also incorporate a variety of uses including multi-family, non-residential, and public use facilities.
- 1.12. **Permanent** means a customer who is a tenant or owner of a service location who applies for and receives electric service, which, in the opinion of the Company, is of a permanent and established character. The use of electricity may be continuous, intermittent, or seasonal in nature. Permanency at the service location may be established by such things as city/county/state permits, a permanent water system, an approved sewer/septic system, or other permanent structures.
- 1.13. **Project-Specific Cost Estimate** means cost estimates that are developed recognizing the unique characteristics of large or special projects to which the Schedule of Charges is not applicable. A Project-Specific Cost Estimate provided to an applicant is valid for a period of up to six (6) months from the date the estimate is provided to the applicant.
- 1.14. **Residential "Lot Sale" Development** means a tract of land that has been divided into four (4) or more contiguous lots in which a developer offers improved lots for sale and the purchaser of the lot is responsible for construction of a residential home.
- 1.15. **Residential Multi-Family Development** means a development consisting of apartments, condominiums, or townhouses.
- 1.16. **Residential Single Family** means a house, or a manufactured or mobile home Permanently affixed to a lot or site.
- 1.17. **Residential Subdivision** means a tract of land which has been divided into four (4) or more contiguous lots with an average size of one acre or less in which the developer is responsible for the construction of residential homes or permanent manufactured or mobile home sites.
- 1.18. **Schedule of Charges** means the list of charges that is used to determine the applicant's cost responsibility for the Extension Facilities. An applicant requesting an extension will be provided a sketch showing the Extension Facilities and an itemized cost quote based on the Schedule of Charges or other applicable details. When the Schedule of Charges is not applicable, charges for Extension Facilities shall be determined by the Company based on Project-Specific Cost Estimates. The Schedule of Charges is attached to this Service Schedule as Attachment 1. The Schedule of Charges will be reviewed and updated from time to time by Company with the Arizona Corporation Commission.

The Schedule of Charges is not applicable for the following:

- 1.18.1. Extension Facilities requiring modifications, removal, relocations or conversions of existing facilities in conjunction with a new extension or existing customer requested upgrade. The removal, replacement, conversion, and new Extension Facilities charges will be determined by a combination of Schedule of Charges and a Project-Specific Cost Estimate depending on the scope of the project and may include residual value costs as computed in accordance with the method described in A.R.S 40-347.



SERVICE SCHEDULE 3 CONDITIONS GOVERNING EXTENSIONS OF ELECTRIC DISTRIBUTION LINES AND SERVICES

- 1.18.2. Extension Facilities required for modifications, relocations or conversions of existing facilities not in conjunction with a new extension or existing customer upgrade.
- 1.18.3. Extension Facilities for General Service applicants with estimated demand loads of three (3) megawatts or greater, or that require in aggregate 3,000 kVA of transformer capacity or greater.
- 1.18.4. Extension Facilities that require three phase transformer installations greater than the sizes noted in the Schedule of Charges.
- 1.18.5. Extension Facilities required for High Rise and/or Mixed-Use Developments or Temporary service.
- 1.18.6. Extension Facilities involving spot networks, vault installations, primary metering, or specialized or additional equipment for enhanced reliability.
- 1.19. **Temporary** means premises or enterprises which are temporary in character, or where it is known in advance that the Extension Facilities will be of limited duration.

2. RESIDENTIAL

2.1. SINGLE FAMILY HOMES

Extension Facilities will be installed to new Permanent residential applicants or groups of new Permanent residential applicants under the following conditions:

- 2.1.1. Free footage basis extensions are made under the following conditions:
 - 2.1.1.1. The total footage of the Extension Facilities (primary, secondary, service) does not exceed 750 feet per applicant, or \$10,000; or
 - 2.1.1.2. The total cost of the Extension Facilities as determined by Company is less than \$10,000 per applicant.
- 2.1.2. All additional construction costs over \$10,000 per applicant will be paid by applicant(s) as a non-refundable contribution in aid of construction.
- 2.1.3. Applicants who combine to form a group may also combine their allowance as specified in Sections 2.1.1.1 and 2.1.1.2.
- 2.1.4. The cost of extending service to applicant will be determined in accordance with the Schedule of Charges or combination of Schedule of Charges and a Project-Specific Cost Estimate depending on the scope of the project which shall exclude the cost of the transformer(s). Construction costs in excess of the allowances as described in 2.1.1.1 and 2.1.1.2 shall be paid by the applicant prior to the Company installing facilities. Payment is due at the time the Line Extension Agreement is signed by the applicant.
- 2.1.5. The applicant(s) signs a Line Extension Agreement.
- 2.1.6. The site plan has been approved and recorded in the county having jurisdiction.
- 2.1.7. The footage allowance of 750 feet and cap of \$10,000 shall be reviewed from time to time with the Arizona Corporation Commission.



SERVICE SCHEDULE 3 CONDITIONS GOVERNING EXTENSIONS OF ELECTRIC DISTRIBUTION LINES AND SERVICES

2.1.8. Examples of the application of 2.1.1 and 2.1.2 can be found in Attachment 2 – Free Footage Illustrative Example.

2.2. RESIDENTIAL SUBDIVISION DEVELOPMENTS

Extension Facilities will be installed to Residential Subdivision developments of four (4) or more homes in advance of application for service by Permanent customers under the following conditions:

2.2.1. The applicant(s) signs a Line Extension Agreement.

2.2.2. The subdivision development plat has been approved and recorded in the county having jurisdiction.

2.2.3. The cost of extending service to applicant will be determined in accordance with the Schedule of Charges or combination of Schedule of Charges and a Project-Specific Cost Estimate depending on the scope of the project.

2.2.4. A signed Line Extension Agreement and advance payment of all project costs are required prior to the start of construction by the Company. Payment is due at the time the Line Extension Agreement is signed by the applicant.

2.2.4.1. A portion of the project cost shall be designated as a refundable advance and will be eligible for refund based on the “per lot” allowance provisions of Section 2.2.5 and in accordance with Section 5.

2.2.4.2. In lieu of a cash payment for the refundable advance amount, the Company shall reserve the right to accept an alternative financial instrument, such as a Letter of Credit or Surety Bond based on the financial condition, or organizational structure of developer.

2.2.4.3. That portion of the project cost in excess of the refundable advance shall be non-refundable in addition to any other non-standard construction charges such as street lights.

2.2.5. The refundable advance will be eligible for refund based on a “per lot” allowance of \$3,500 for each Permanently connected residential customer over a five (5) year period. Refunds of refundable advances shall be governed by Section 5. The refund eligibility period shall be five (5) years which will start three (3) months from the date Company executes the Line Extension Agreement with the applicant. A review of the project will be conducted annually to determine subdivision buildout, and if the qualifications have been met for any refunds.

2.2.6. Examples of the application of 2.2.4 can be found in Attachment 3 – Residential Subdivision Illustrative Example.

2.3. RESIDENTIAL “LOT SALE” DEVELOPMENTS

Extension Facilities will be installed to residential “lot sale” developments in advance of application for service by Permanent applicants under the following conditions:

2.3.1. The applicant(s) signs a Line Extension Agreement.

2.3.2. The development plat has been approved and recorded in the county having jurisdiction.



SERVICE SCHEDULE 3 CONDITIONS GOVERNING EXTENSIONS OF ELECTRIC DISTRIBUTION LINES AND SERVICES

- 2.3.3. The cost of extending service to applicant will be determined in accordance with the Schedule of Charges or combination of Schedule of Charges and a Project-Specific Cost Estimate depending on the scope of the project. A signed Line Extension Agreement and advance payment of all project costs are required prior to the start of Company construction. Payment is due at the time the Line Extension Agreement is signed by the applicant.
- 2.3.4. The applicant shall pay the total project estimated cost as a non-refundable contribution in aid of construction in addition to costs for street lights and other non-standard construction charges.
- 2.3.5. Company will provide a "Conduit Only Design" provided applicant makes a payment in the amount equal to the estimated cost of the preparation of the design, in addition to the costs for any materials, field survey and inspections that may be required.
- 2.3.6. Extension Facilities will be installed to individual applicants in accordance with provisions listed in Section 2.1.

2.4. MASTER PLANNED COMMUNITY DEVELOPMENTS

Extension Facilities will be installed to Master Planned Community Developments in advance of application for service by Permanent applicants under the following conditions:

- 2.4.1. The applicant(s) signs a Line Extension Agreement.
- 2.4.2. The site development plan has been approved and recorded in the county having jurisdiction.
- 2.4.3. The cost of extending service to applicant will be determined by a Project-Specific Cost Estimate based on the scope of the project. A signed Line Extension Agreement and advance payment of all project costs are required prior to the start of Company construction. Payment is due at the time the Line Extension Agreement is signed by the applicant.
- 2.4.4. The applicant shall pay the total project estimated cost as a non-refundable contribution in aid of construction in addition to costs for street lights and other non-standard construction charges.
- 2.4.5. Extension Facilities will be installed to each subdivided tract within the planned development in accordance with the applicable sections of this Service Schedule 3.

2.5. RESIDENTIAL MULTI-FAMILY DEVELOPMENTS

Extension Facilities will be installed to Residential Multi-Family Developments in advance of application for service by Permanent customers under the following conditions:

- 2.5.1. The applicant signs a Line Extension Agreement.
- 2.5.2. The site development plan has been approved and recorded in the county having jurisdiction.
- 2.5.3. The cost of extending service to applicant will be determined in accordance with the Schedule of Charges or combination of Schedule of Charges and a Project-Specific Cost estimate depending on the scope of the project.



SERVICE SCHEDULE 3 CONDITIONS GOVERNING EXTENSIONS OF ELECTRIC DISTRIBUTION LINES AND SERVICES

2.5.4. A signed Line Extension Agreement and advance payment of all project costs are required prior to the start of Company construction. Payment is due at the time the Line Extension Agreement is signed by the applicant.

2.5.4.1. A portion of the project cost shall be designated as a refundable advance and will be eligible for refund based on the "per unit" refundable allowance provisions of Section 2.5.4 and in accordance with Section 5.

2.5.4.2. In lieu of a cash payment for the refundable advance amount, the Company shall reserve the right to accept an alternative financial instrument, such as a Letter of Credit or Surety Bond based on the financial condition, or organizational structure of applicant.

2.5.4.3. That portion of the project cost in excess of the refundable advance shall be non-refundable in addition to any other non-standard construction charges such as street lights etc.

2.5.5. The refundable advance will be eligible for refund based on a "per unit" allowance of \$1,000 for each new meter installed over a five (5) year period. Refunds of refundable advances shall be governed by Section 5. The refund eligibility period shall be five (5) years which will start three (3) months from the date Company executes the Line Extension Agreement. A review of the project will be conducted annually to determine buildout and if the qualifications have been met for any refunds.

3. GENERAL SERVICE INCLUDING IRRIGATION

3.1. GENERAL PROVISIONS

3.1.1. Extension Facilities that do not meet the requirements under Section 2 Residential will be considered General Service and will be installed to all applicants who meet the qualifications under Sections 3 and 4 of this Service Schedule 3.

3.1.2. The project costs for General Service Extension Facilities installations will be determined in accordance with the Schedule of Charges or combination of Schedule of Charges and a Project-Specific Cost Estimate depending on the scope of the project. A signed Line Extension Agreement and any required payment as determined by an Economic Feasibility analysis are required prior to the start of Company construction. Payment is due at the time the Line Extension Agreement is signed by the applicant. The site development plan for the project for which the Line Extension has been requested must be approved and recorded in the county having jurisdiction prior to signing the Line Extension Agreement.

3.1.3. The cost for Extension Facilities installed for applicants with estimated demand loads of less than three (3) megawatts or less than 3,000 kVA of transformer capacity, will be determined in accordance with the Schedule of Charges or combination of Schedule of Charges and a Project-Specific Cost Estimate depending on the scope of the project. A signed Line Extension Agreement and any required payment as determined by an Economic Feasibility analysis are required prior to the start of Company construction. Payment is due at the time the Line Extension Agreement is signed by the applicant.

3.1.4. The cost for Extension Facilities installed for applicants with projected loads of three (3) megawatts or greater, requiring transformer capacity of 3,000 kVA and greater, special requests involving primary metering, or specialized/additional equipment for enhanced reliability shall be determined by the Company based on Project-Specific Cost Estimates. A signed Line Extension Agreement and any required payment as determined by an Economic Feasibility analysis are required prior to the start of Company construction. Payment is due at the time the Line Extension Agreement is signed by the applicant.



SERVICE SCHEDULE 3 CONDITIONS GOVERNING EXTENSIONS OF ELECTRIC DISTRIBUTION LINES AND SERVICES

3.1.5. Economic Feasibility analysis for General Service applicants:

- 3.1.5.1. Economic Feasibility for projects where the applicant's Extension Facilities cost (excluding non-refundable applicant contributions such as street lights and other non-standard construction charges) is \$25,000 or less shall be established where the estimated annual revenue based on Company's then currently effective rate for delivery service (excluding taxes, regulatory assessment and other adjustments) multiplied by six (6) is equal to or greater than the cost of the applicant's Extension Facilities.
- 3.1.5.2. Economic Feasibility for projects where the applicant's Extension Facilities cost (excluding non-refundable applicant contributions such as street lights and other non-standard construction charges) is greater than \$25,000 shall be established where the estimated annual revenue based on Company's then currently effective rate for delivery service (excluding taxes, regulatory assessment and other adjustments), less the cost of service, provides an adequate rate of return on the investment made by Company to serve the applicant.
- 3.1.5.3. Applicants whose Extension Facilities are installed on the basis of an Economic Feasibility analysis which determines that the estimated installation cost of the Extension Facilities is not supported by the applicant's estimated delivery service revenue may be required to advance sufficient funds to make installation of the Extension Facilities economically feasible. Company reserves the right to collect a full advance from the applicant based on the project scope, location, applicant's financial condition or organizational structure of the applicant.

Applicants whose Economic Feasibility analysis results in the requirement for a payment in advance of construction may be eligible for a refund of such advance over the term of the Line Extension Agreement's five-year period if the actual annual delivery service revenue for the applicant's project exceeds the estimated delivery service revenue used in the Economic Feasibility analysis.

The Economic Feasibility analysis for the Extension Facilities will be reviewed at the end of the third and fifth year of the Line Extension Agreement based on actual delivery service revenue for the preceding year and to the degree that actual revenue supports the Extension Facilities cost, all or a portion of the applicant's construction advance may be refunded. In no case will refunds exceed the unrefunded balance of the applicant's advance.

Any unrefunded balance remaining five years from the date of the Company's executed Line Extension Agreement shall become a non-refundable contribution in aid of construction.

- 3.1.5.4. Company may include a capacity factor component, as determined by Company, to the Economic Feasibility Analysis for applicants that request excess or redundant system capacity.

3.2. HIGH RISE AND/OR MIXED-USE DEVELOPMENTS

Extension Facilities will be installed to High Rise and/or Mixed-Use Developments in advance of application for service by Permanent applicants under the following conditions:

- 3.2.1. The residential units are privately owned and either individually metered or master metered in accordance with Section 7.10.
- 3.2.2. Extension Facilities will be installed to designated points of delivery and it is the applicant's responsibility to provide and maintain the electrical facilities within the building.



SERVICE SCHEDULE 3 CONDITIONS GOVERNING EXTENSIONS OF ELECTRIC DISTRIBUTION LINES AND SERVICES

- 3.2.3. The applicant signs a Line Extension Agreement.
- 3.2.4. The site development plan has been approved and recorded in the county or city having jurisdiction.
- 3.2.5. The charges for Extension Facilities will be determined based on a Project-Specific Cost Estimate, and shall be paid by the applicant prior to Company installing facilities.
- 3.2.6. Prior to the ordering of specialized materials or equipment required to provide service applicant will be required to make an advance payment to the Company for the estimated cost of the material or equipment in accordance with Section 7.13 of this Service Schedule 3.
- 3.2.7. A signed Line Extension Agreement and any required advance payment are required prior to the start of Company construction. Payment is due at the time the Line Extension Agreement is signed by the applicant.

3.3. CORPORATE BUSINESS & INDUSTRIAL PARK DEVELOPMENTS

Extension Facilities will be made to Corporate Business and Industrial Park Developments in advance of application for service by Permanent customer under the following conditions:

- 3.3.1. The applicant signs a Line Extension Agreement.
- 3.3.2. The site development plan has been approved and recorded in the county or city having jurisdiction.
- 3.3.3. The cost of installing Extension Facilities will be determined in accordance with the Schedule of Charges or combination of Schedule of Charges and a project-specific cost estimate depending on the scope of the project.
- 3.3.4. The applicant shall pay the total project estimated cost as a non-refundable contribution in aid of construction in addition to costs for street lights and other non-standard construction charges.
- 3.3.5. Payment of all project costs is required prior to the start of Company construction. Payment is due at the time the Line Extension Agreement is signed by the applicant.
- 3.3.6. Company will provide a "Conduit Only Design" provided applicant makes a payment in the amount equal to the estimated cost of the preparation of the design, in addition to the costs for any materials, field survey and inspections that may be required.
- 3.3.7. Extension Facilities will be installed to individual lots (at the request of an applicant) within the Corporate Business and Industrial Park Development in accordance with the applicable sections of this Service Schedule 3.

4. OTHER CONDITIONS

4.1. TEMPORARY APPLICANTS

- 4.1.1. Where Temporary Extension Facilities are required to provide service to the applicant, the applicant shall make a non-refundable payment in advance of installation or construction equal to the cost of installing and removing of the facilities required in providing Temporary service, less the salvage value of such facilities. Charges will be determined by Company based on a Project-Specific Cost Estimate. Payment is due at the time the Line Extension Agreement is signed by the applicant.



SERVICE SCHEDULE 3 CONDITIONS GOVERNING EXTENSIONS OF ELECTRIC DISTRIBUTION LINES AND SERVICES

- 4.1.2. When use of the Temporary service is discontinued or service is terminated, Company may dismantle and remove its facilities, and the materials and equipment provided by Company will remain Company property.

4.2. DOUBTFUL PERMANENCY CUSTOMERS

When, in the opinion of Company, permanency of the applicant's residence or operation is doubtful, the applicant will be required to pay the total cost of the Extension Facilities. The cost of extending service to applicant will be determined in accordance with the Schedule of Charges or combination of Schedule of Charges and a Project-Specific Cost Estimate. The applicant shall pay the total project estimated cost as a non-refundable contribution in aid of construction in addition to costs for street lights and other non-standard construction charges.

- 4.2.1. Payment of all project costs is required prior to the start of Company construction. Payment is due at the time the Line Extension Agreement is signed by the applicant.

4.3. MUNICIPALITIES AND OTHER GOVERNMENTAL AGENCIES

Relocation of existing facilities and/or Extension Facility installations required to serve loads of municipalities or other governmental agencies may be constructed prior to the receipt of a signed Line Extension Agreement. However, this does not relieve the municipality or governmental agency of the responsibility for payment of the Extension Facilities costs in accordance with the applicable sections of this Service Schedule 3.

The effective date for projects enacted under this provision for purposes of Section 5 shall be the date the municipality or agency provided written approval to the Company to proceed with construction.

5. REFUNDS

5.1. GENERAL REFUND CONDITIONS

- 5.1.1. No refund will be made to any applicant for an amount more than the un-refunded balance of the applicant's refundable advance.
- 5.1.2. Company reserves the right to withhold refunds to any applicant who is delinquent on any account, agreement, or invoice, including the payment of electric service, and may apply these refund amounts to past due bills.
- 5.1.3. The refund eligibility period shall be five (5) years from the date Company executes the Line Extension Agreement with the applicant. Any un-refunded advance balance shall become a non-refundable contribution in aid of construction five (5) years from the Execution Date of the agreement.
- 5.1.4. Refunds will be mailed to the applicant of record noted on the executed agreement no later than 60-days from the annual review date.

6. UNDERGROUND CONSTRUCTION

6.1. GENERAL UNDERGROUND CONSTRUCTION POLICY

With respect to all underground installations pursuant to a Line Extension Agreement, Company will install underground facilities only if all of the following conditions are met:



SERVICE SCHEDULE 3 CONDITIONS GOVERNING EXTENSIONS OF ELECTRIC DISTRIBUTION LINES AND SERVICES

- 6.1.1. The Extension Facilities meet all requirements as specified in Sections 1, 2, 3, or 4 of this Service Schedule 3.
- 6.1.2. The applicant provides all earth-work including, but not limited to, trenching, boring or punching, backfill, compaction, and surface restoration in accordance with Company specifications, and signs a trench agreement.
- 6.1.3. The applicant provides installation of equipment pads, pull-boxes, manholes, conduits, and appurtenances as required and in accordance with Company specifications.
- 6.1.4. In lieu of applicant providing these services and equipment, the applicant may pay Company to provide these services and equipment as a non-refundable contribution in aid of construction. The payment will equal the cost of such work plus any administrative or inspection fees incurred by Company. Applicants electing this option will be required to sign an agreement indemnifying and holding Company harmless against claims, liabilities, losses or damage (Claims) asserted by a person or entity other than Company's contractors, which Claims arise out of the trenching and conduit placement, provided the Claims are not attributable to the Company's gross negligence or intentional misconduct.

7. GENERAL CONDITIONS

7.1. VOLTAGE

- 7.1.1. All Extension Facility installations will be designed and constructed for operation at standard voltages used by Company in the area in which the Extension Facilities are located. At the request of applicant, Company may, at its option, deliver service for special applications of non-standard or higher voltages with prior approval from Company's Engineering Department. Applicant will be required to pay the costs of any required studies as a non-refundable payment.
- 7.1.2. Extension Facilities installed at higher voltages will be limited to serving an applicant operating as one integral unit under the same name and as part of the same business on adjacent and contiguous sites not separated by private property owned by another party or separated by public property or public right-of-way.

7.2. POINT OF DELIVERY

- 7.2.1. For overhead service, the point of delivery shall be where Company's service conductors terminate at the applicant's weatherhead or bus riser.
- 7.2.2. For underground service, the point of delivery shall be where Company's service conductors terminate in the applicant's or development's service equipment. The applicant shall furnish, install and maintain any risers, raceways and/or termination cabinets necessary for the installation of Company's underground service conductors.
- 7.2.3. For special applications where service is provided at voltages higher than the standard voltages specified in the APS Electric Service Requirements Manual, Company and applicant shall mutually agree upon the designated point of delivery.

7.3. EASEMENTS

All suitable easements or rights-of-way required by Company for any portion of the extension which is either on premises owned, leased or otherwise controlled by the applicant or other property required for the



SERVICE SCHEDULE 3 CONDITIONS GOVERNING EXTENSIONS OF ELECTRIC DISTRIBUTION LINES AND SERVICES

Extension Facilities, shall be provided to the Company in Company's name by the applicant without cost to or condemnation by Company prior to commencement of Company's construction of Extension Facilities. All easements or rights-of-way obtained on behalf of Company shall contain such terms and conditions as are acceptable to Company.

7.4. GRADE MODIFICATIONS

If after construction of Extension Facilities, the final grade of the property established by the applicant is changed in such a way as to require relocation of Company facilities, or the applicant's actions or those of his contractor results in damage to such facilities, the cost of replacement, relocation and/or resulting repairs shall be borne by applicant as a non-refundable contribution in aid of construction.

7.5. OWNERSHIP

Except for applicant owned facilities, all Extension Facilities installed in accordance with this Service Schedule 3 will be owned, operated, and maintained by Company.

7.6. MEASUREMENT AND LOCATION

7.6.1. Measurement must be along the proposed route of construction.

7.6.2. Construction will be on public streets, roadways, highways, or easements acceptable to Company.

7.6.3. The Extension Facilities must be a branch from, the continuation of, or an addition to, Company's existing distribution facilities.

7.7. UNUSUAL CIRCUMSTANCES

In unusual circumstances as determined by Company, when the application and provisions of this Service Schedule 3 appear impractical, or in case of extension of lines to be operated on voltages other than specified in the applicable rate schedule, or when applicant's estimated demand load will exceed 3,000 kW, Company may make a special study of the conditions to determine the basis on which service may be provided. Additionally, Company may require special contract arrangements as provided for in the Company's Service Schedule 1, Terms and Conditions for Standard Offer and Direct Access Service.

7.8. ABNORMAL LOADS

Company, at its option, may install Extension Facilities to serve certain abnormal loads (such as: transformer type welders, x-ray machines, wind machines, excess capacity for test purposes and loads of unusual characteristics) and the costs of any distribution system modifications or enhancements required to serve the applicant will be included in the payment described in previous sections of this Service Schedule 3.

7.9. UPGRADES, RELOCATIONS AND/OR CONVERSIONS

7.9.1. Company will upgrade, relocate or convert from overhead to underground its facilities for the applicant's convenience or aesthetics. The cost of upgrades, relocations or conversions not in conjunction with a new extension or existing customer upgrade will be determined by a Project-Specific Cost Estimate and may include residual value costs as computed in accordance with the method described in A.R.S Section 40-347.



SERVICE SCHEDULE 3 CONDITIONS GOVERNING EXTENSIONS OF ELECTRIC DISTRIBUTION LINES AND SERVICES

- 7.9.2. When the relocation of Company facilities involves “prior rights” conditions, the applicant will be required to make payment equal to the estimated cost of relocation as determined by a Project-Specific Cost Estimate. In addition applicant shall be required to provide similar “rights” for the relocated facilities.

7.10. MASTER METERING

7.10.1. Mobile Home Parks

Company shall refuse service to all new construction and/or expansion of existing Permanent residential mobile home parks unless the construction and/or expansion are individually metered by Company.

7.10.2. Residential Apartment Complexes, Condominiums

Company shall refuse service to all new construction of apartment complexes and condominiums which are master metered unless the builder or developer can demonstrate that the installation meets the provisions of R14-2-205 of the Arizona Corporation Commission’s Rules and Regulations or the requirements discussed in 7.10.3 below. This section is not applicable to Senior Care/Nursing Centers registered with the State of Arizona with independent living units which provide packaged services such as housing, food, and nursing care.

7.10.3. Multi-Unit High Rise Residential Developments

- 7.10.3.1. Company will allow master metering for high rise residential units where the residential units are privately owned provided the building will be served by a centralized heating, ventilation and/or air conditioning system, and each residential unit shall be individually sub-metered and responsible for energy consumption of that unit.
- 7.10.3.2. Sub-metering shall be provided and maintained by the builder or homeowners association.
- 7.10.3.3. Responsibility and methodology for determining each unit’s energy billing shall be clearly specified in the original bylaws of the homeowners association, a copy of which must be provided to Company prior to Company installing Extension Facilities.
- 7.10.3.4. Company will convert its facilities from a master metered system to a Permanent individually metered system at the applicant's request provided the applicant makes a non-refundable contribution in aid of construction equal to the residual value plus the removal costs less salvage of the master meter facilities to be removed. The new facilities to serve the individual meters will be extended on the basis specified in Section 1 of this Service Schedule 3. Applicant is responsible for all costs related to the installation of new service entrance equipment.

7.11. CHANGE IN APPLICANT'S SERVICE REQUIREMENTS

Company will rebuild, modify, or upgrade its existing facilities to meet the applicant's added load or change in service requirements on the basis specified in Section 2, 3, or 4. Charges for such changes will be in accordance with the Schedule of Charges and/or a Project-Specific Cost Estimate determined by the Company based on project-specific requirements.



SERVICE SCHEDULE 3 CONDITIONS GOVERNING EXTENSIONS OF ELECTRIC DISTRIBUTION LINES AND SERVICES

7.12. STUDY AND DESIGN AGREEMENT

Any applicant requesting Company to prepare special studies or detailed plans, specifications, or cost estimates will be required to make a payment to Company in an amount equal to the estimated cost of preparation. When the applicant authorizes Company to proceed with construction of the Extension Facilities, the payment will be credited to the cost of the Extension Facilities otherwise the payment shall be non-refundable. Company will prepare, without charge, a preliminary sketch and rough estimate of the cost to be paid by the applicant upon request.

7.13. MATERIAL ORDER AGREEMENT

Any applicant requesting Company to enter into a Line Extension Agreement, or relocation agreement which requires either large quantities of material or material and equipment which the Company does not keep in stock will be required to make a payment to Company prior to the material being ordered in an amount equal to the material/equipment's estimated cost. When the applicant authorizes Company to proceed with construction of the extension, the payment will be credited to the cost of the extension; otherwise the payment shall be non-refundable.

7.14. INTEREST

All refundable advances made by the applicant to the Company shall be non-interest bearing.

7.15. APPLICANT CONSTRUCTION OF COMPANY DISTRIBUTION FACILITIES

- 7.15.1. Applicant may provide construction related labor only services associated with the installation of new distribution line facilities (21 kV and below) to serve the applicant's new or added load provided the applicant receives written approval from Company prior to performing any such services and uses electrical contractors who are qualified and licensed in the State of Arizona to construct such facilities and designated as an APS Approved Electrical Distribution Contractor.

This option is not available for the following:

- 7.15.1.1. Replacement, modifications, upgrades, relocation, or conversions of existing systems.
- 7.15.1.2. Where all or a portion of the distribution line facilities are to be constructed on or installed on existing distribution line or transmission lines.
- 7.15.2. All construction services provided by the applicant shall be subject to inspection by a duly authorized Company representative and shall comply with Company designs, construction standards, and other requirements which may be in effect at the time of construction. Any work found to be substandard in the sole opinion of the Company must be corrected by applicant prior to energization by Company.
- 7.15.3. Applicant shall reimburse Company for all inspection and project coordination costs as a non-refundable contribution in aid of construction. Estimated costs for inspection and project coordination will be identified in the construction agreement executed by Company and applicant.
- 7.15.4. Costs for Extension Facilities for applicants who provide construction of Company distribution facilities shall be based on a Project-Specific Cost Estimate.



SERVICE SCHEDULE 3 CONDITIONS GOVERNING EXTENSIONS OF ELECTRIC DISTRIBUTION LINES AND SERVICES

- 7.15.5. A signed agreement and advance payment of all project costs are required prior to the start of applicant construction. Payment is due at the time the agreement is signed by the applicant.
- 7.15.6. For applicants that are not served by the terms in Section 3 of this document, Company shall provide a Project-Specific Cost Estimate. Applicants may submit an invoice detailing costs of Extension Facilities and apply any allowance provided in Section 2 to these costs. At no point shall these costs exceed the Company's Project-Specific Cost Estimate.
- 7.15.7. Applicants served by the terms in Section 3 of this document shall be subject to the rules set forth in Sections 3 and 5.

7.16. SETTLEMENT OF DISPUTES

Any dispute between the applicant or prospective applicant and Company regarding the interpretation of these "Conditions Governing Extensions of Electric Distribution Lines and Services" may, by either party, be referred to the Arizona Corporation Commission or a designated representative or employee thereof for determination.

7.17. LINE EXTENSION AGREEMENTS

All facility installations or equipment upgrades requiring payment by an applicant shall be in writing and signed by both the applicant and Company.

7.18. ADDITIONAL PRIMARY FEED OR SPECIALIZED EQUIPMENT

When specifically requested by an applicant to provide an alternate primary feed or specialized equipment (excluding transformation), Company will perform a special study to determine the feasibility of the request. The applicant will be required to pay for the cost of the additional feed requested as a non-refundable contribution in aid of construction. Installation cost will be based on a Project-Specific Cost Estimate. Payment for the installation of Extension Facilities is due at the time the Line Extension Agreement is signed by the applicant.

7.19. GRANDFATHERING

An applicant that has entered into a Line Extension Agreement with the Company under a previous revision of this Service Schedule 3 may at applicant's request cancel the agreement, provided the Company has not installed any facilities pursuant to the agreement, and provided that applicant reimburses Company for the costs and expenses it has incurred to date, as a non-refundable contribution in aid of construction. The applicant may then enter into a new Line Extension Agreement with the Company under this revision of Service Schedule 3.



SERVICE SCHEDULE 3 **CONDITIONS GOVERNING EXTENSIONS OF** **ELECTRIC DISTRIBUTION LINES AND SERVICES**

Attachment 1 **Schedule of Charges – Single Phase**

APS Schedule 3, Line Extension Schedule of Charges **Single Phase Extension Costs**

Single Phase	OH Primary		UG Primary			OH Secondary		UG Secondary	
	Cost per Circuit Foot	Cost per Circuit Foot	Pull Box	Pad Mount Junction Cabinet	OH/UG Transition	Secondary Pole	OH/UG Secondary Transition	J Box	
	\$15.00	\$6.00	\$705	\$2,682	\$1,183	\$2,339	\$681.00	\$98.54	
OVERHEAD Single Phase	SES Size	Transformer Size,		Service wire/Linear Ft					
	200 Amp	25kVA	\$3,657	\$4.89					
	200 Amp	50kVA	\$4,439	\$9.02					
	400 Amp	50kVA	\$4,439	\$9.02					
	600 Amp	75kVA	\$5,475	\$18.23					
	800 Amp	100kVA	\$6,791	\$18.23					
UNDERGROUND Single Phase	SES Size	Transformer Size,		Service wire/Linear Ft					
	200 Amp	25kVA	\$3,764	\$3.65					
	200 Amp	50kVA	\$4,498	\$4.36					
	400 Amp	50kVA	\$4,498	\$4.36					
	600 Amp	75kVA	\$5,266	\$8.71					
	800 Amp	100kVA	\$6,270	\$16.68					

- 1) Extension Facilities that do not qualify for the Schedule of Charges will be determined by a project specific cost estimate.
- 2) Cost per foot charges will be determined from termination at the source to the next device in the circuit. Linear footage for each circuit will be summed to determine charges.
- 3) Pad Mount Junction Cabinet is a single phase termination cabinet.
- 4) Primary OH cost per foot is for one phase and a neutral or two phases and no neutral; includes poles, framing, 2R conductor.
- 5) Charges for services are based on linear footage from Transformer to SES regardless of the number of sets. J Boxes not included in footage cost.
- 6) All footages to be calculated by linear footages.
- 7) Transition is from the OH line to the UG line; includes wire down pole and accessories. Pole NOT included.



SERVICE SCHEDULE 3
CONDITIONS GOVERNING EXTENSIONS OF
ELECTRIC DISTRIBUTION LINES AND SERVICES

Attachment 1
Schedule of Charges – Three Phase

APS Schedule 3 Rev 12, Line Extension Schedule of Charges

Every 1000' NEED NHT

FEEDER Three-Phase	Overhead					Underground					Pad Mount Switch Gear	Manhole (6-750)	Pull Box (6-750)	Cost per Circuit Foot (6-750)	Cost per Circuit Foot (3-1100)	Cost per Circuit Foot 1100A Cable (3-1100)	Cost per Circuit Foot 1100A Cable (6-1100)
	Cost per Circuit Foot	Cost per Circuit Foot (3-750)	Each Installation	Each Installation	Each Installation	Cost per Circuit Foot (3-750)	Manhole (3-750)	Each Installation	Each Installation	Each Installation							
OH/UG Transition	\$31.34	\$24.03	\$6,701			\$3,575	\$10,522	\$48.06	\$6,164	\$14,033	\$16,648			\$32.35		\$64.70	\$8,987
PRIMARY Three Phase	Overhead					Underground											
	Cost per Circuit Foot	Cost per Circuit Foot (3-100T)	Each Installation	Each Installation	Each Installation	Cost per Circuit Foot (3-400T)	Pull Box	Each Installation	Each Installation	Each Installation	Pad Mount Switch Gear						
OH/UG Transition	\$21.24	\$17.97	\$2,786	\$2,933	\$2,933	\$28.81	\$1,257	\$15,648									
OVERHEAD Three Phase	Overhead					Overhead											
	SES Size	Transformer Size	Service wire/Linear Ft	SES Size	Transformer Size	Service wire/Linear Ft	SES Size	Transformer Size	Service wire/Linear Ft	SES Size	Transformer Size	Service wire/Linear Ft	SES Size	Transformer Size	Service wire/Linear Ft	SES Size	Transformer Size
	200 Amp	3-25KVA	\$9,979	200 Amp	3-50KVA	\$5.41	200 Amp	3-50KVA	\$13,215	200 Amp	3-50KVA	\$5.41	200 Amp	3-50KVA	\$5.41	200 Amp	3-50KVA
UNDERGROUND Three Phase	Underground					Underground											
	SES Size	Transformer Size	Service wire/Linear Ft	SES Size	Transformer Size	Service wire/Linear Ft	SES Size	Transformer Size	Service wire/Linear Ft	SES Size	Transformer Size	Service wire/Linear Ft	SES Size	Transformer Size	Service wire/Linear Ft	SES Size	Transformer Size
	200 Amp	112.5KVA	\$11,746	200 Amp	150KVA	\$12.66	200 Amp	225KVA	\$17,539	200 Amp	300KVA	\$19,519	200 Amp	500KVA	\$31.07	200 Amp	750KVA
	400 Amp	112.5KVA	\$11,746	400 Amp	150KVA	\$12.66	400 Amp	225KVA	\$17,539	400 Amp	300KVA	\$19,519	400 Amp	500KVA	\$31.07	400 Amp	750KVA
	600 Amp	150KVA	\$13,316	600 Amp	225KVA	\$15.54	600 Amp	300KVA	\$19,519	600 Amp	500KVA	\$31.07	600 Amp	750KVA	\$31.07	600 Amp	1000KVA
	800 Amp	225KVA	\$15,022	800 Amp	300KVA	\$13.07	800 Amp	500KVA	\$31.07	800 Amp	750KVA	\$31.07	800 Amp	1000KVA	\$31.07	800 Amp	1500KVA
	1000 Amp	225KVA	\$15,022	1000 Amp	300KVA	\$13.07	1000 Amp	500KVA	\$31.07	1000 Amp	750KVA	\$31.07	1000 Amp	1000KVA	\$31.07	1000 Amp	1500KVA
	1200 Amp	300KVA	\$18,110	1200 Amp	500KVA	\$13.07	1200 Amp	750KVA	\$31.07	1200 Amp	1000KVA	\$31.07	1200 Amp	1500KVA	\$31.07	1200 Amp	2000KVA
	1600 Amp	500KVA	\$22,432	1600 Amp	750KVA	\$12.15	1600 Amp	1000KVA	\$27,129	1600 Amp	1500KVA	\$27,129	1600 Amp	2000KVA	\$27,129	1600 Amp	2500KVA
	2000 Amp	500KVA	\$22,432	2000 Amp	750KVA	\$12.15	2000 Amp	1000KVA	\$27,129	2000 Amp	1500KVA	\$27,129	2000 Amp	2000KVA	\$27,129	2000 Amp	2500KVA
	2500 Amp	750KVA	\$28,233	2500 Amp	1000KVA	\$108.72	2500 Amp	1500KVA	\$42,414	2500 Amp	2000KVA	\$42,414	2500 Amp	2500KVA	\$42,414	2500 Amp	3000KVA
	3000 Amp	750KVA	\$28,233	3000 Amp	1000KVA	\$108.72	3000 Amp	1500KVA	\$42,414	3000 Amp	2000KVA	\$42,414	3000 Amp	2500KVA	\$42,414	3000 Amp	3000KVA
	3000 Amp	1000KVA	\$37,272	3000 Amp	1500KVA	\$139.86	3000 Amp	2000KVA	\$52,748	3000 Amp	2500KVA	\$52,748	3000 Amp	3000KVA	\$52,748	3000 Amp	3500KVA

- 1) Extension Facilities that do not qualify for the Schedule of Charges will be determined by a project specific cost estimate.
- 2) Cost per foot charges will be determined from termination at the source to the next device in the circuit. Linear footage for each circuit will be summed to determine charges.
- 3) For Multiple services out of one three phase transformer, the service cost will be determined by each SES and the transformer cost will be determined from the combined total of each SES size in amps, rounded up to the nearest SES size, limited to a combined maximum of 3,000 amps.
- 4) Overhead feeder cost per foot is for 3/0 and above, including 477 & 795 conductors.
- 5) UG Primary circuit footage is 3 cables making up 3 phase; 2 circuits is parallel conductors.
- 6) Charges for services are based on linear footage from transformer to SES regardless for the number of sets.
- 7) All footages to be calculated by linear footages.
- 8) Transition is from the OH line to the UG line; includes wire down pole and accessories. Pole NOT included.



SERVICE SCHEDULE 3 **CONDITIONS GOVERNING EXTENSIONS OF** **ELECTRIC DISTRIBUTION LINES AND SERVICES**

Examples to Section 2.1* **Free Footage Illustrative Example**

	Primary		Service		Total		Customer Payment
	Footage	Cost	Footage	Cost	Footage	Cost	
Scenario 1	500	\$15.00	50	\$ 4.89	550	\$ 7,744.50	\$ -

APS \$7,744.50**

Customer Payment \$0

	Primary		Service		Total		Customer Payment
	Footage	Cost	Footage	Cost	Footage	Cost	
Scenario 2	620	\$ 15.00	135	\$ 4.89	755	\$ 9,960.15	\$ -

APS \$9,960.15**

Customer Payment \$0

	Primary		Service		Total		Customer Payment
	Footage	Cost	Footage	Cost	Footage	Cost	
Scenario 3	675	\$ 15.00	50	\$ 4.89	725	\$ 10,369.50	\$ 369.50

APS \$10,000.00**

Customer Payment \$369.50

	Primary		Service		Total		Customer Payment
	Footage	Cost	Footage	Cost	Footage	Cost	
Scenario 4	660	\$ 15.00	90	\$ 4.89	750	\$ 10,340.10	\$ 340.10

APS \$10,000.00**

Customer Payment \$340.10

	Primary		Service		Total		Customer Payment
	Footage	Cost	Footage	Cost	Footage	Cost	
Scenario 5	700	\$ 15.00	100	\$ 4.89	800	\$ 10,989.00	\$ 989.00

APS \$10,000.00**

Customer Payment \$989.00

*Scenarios do not reflect all components required for a complete project.

**APS portion does not include cost of transformer.



**SERVICE SCHEDULE 3
CONDITIONS GOVERNING EXTENSIONS OF
ELECTRIC DISTRIBUTION LINES AND SERVICES**

**Attachment 3
Residential Subdivision Illustrative Example**

Scenario 1	
Number of Planned Homes	100
Estimated Construction Cost	\$ 350,000
Total Potential Refundable Allowance	\$ 350,000
Non-Refundable Contribution	\$ -
Number of Homes Completed	100
Credited Allowance	\$ 350,000
Potential Remaining Allowance	\$ -

Scenario 2	
Number of Planned Homes	100
Estimated Construction Cost	\$ 400,000
Total Potential Refundable Allowance	\$ 350,000
Non-Refundable Contribution	\$ 50,000
Number of Homes Completed	100
Credited Allowance	\$ 350,000
Potential Remaining Allowance	\$ -

Scenario 3	
Number of Planned Homes	100
Estimated Construction Cost	\$ 350,000
Total Potential Refundable Allowance	\$ 350,000
Non-Refundable Contribution	\$ -
Number of Homes Completed	45
Credited Allowance	\$ 157,500
Potential Remaining Allowance	\$ 192,500

Scenario 4	
Number of Planned Homes	100
Estimated Construction Cost	\$ 400,000
Total Potential Refundable Allowance	\$ 350,000
Non-Refundable Contribution	\$ 50,000
Number of Homes Completed	45
Credited Allowance	\$ 157,500
Potential Remaining Allowance	\$ 192,500

APPENDIX E